

Government that Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

TOWNSHIP OF BUENA VISTA

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APRIL, 2001



GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the Township of Buena Vista

New Jerseyans deserve the best government their tax dollars can provide. Efficiency in government and a common sense approach to the way government does business, both at the state and at the local level, are important to Acting Governor Donald T. DiFrancesco. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs and the property taxes that pay for them have been rising steadily over the past decade. The Local Government Budget Review (LGBR) program was created in 1994 by former Governor Whitman, marking the first time the state worked as closely with towns to examine what is behind those costs. The Local Government Budget Review (LGBR) program's mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service provided by the state at no cost to them. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those state regulations and mandates which place burdens on local governments without value-added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and that other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, the program was expanded, tripling the number of teams in an effort to reach more communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

THE REVIEW PROCESS

In order for a town, county or school district to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the review team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of each review, team members interview each elected official, as well as employees, appointees, members of the public, contractors and any other appropriate individuals. The review teams examine current collective bargaining agreements, audit reports, public offering statements, annual financial statements, the municipal code and independent reports and recommendations previously developed for the governmental entities, and other relative information. The review team physically visits and observes the work procedures and operations throughout the governmental entity to observe employees in the performance of their duties.

In general, the review team received full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness, on the part of most, to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the municipality, but do represent the cost of the entity's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide the entity an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost to the community. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective bargaining process. We believe, however, that these estimates are conservative and achievable.

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
TOWNSHIP OF BUENA VISTA**

Clerk

The team recommends that the township increase their liquor license fees to the maximum allowed by law, for a revenue enhancement of \$64,735.

Health Insurance

The team recommends that the township solicit cost quotations from other insurance providers approximately every three years, saving \$6,500 - \$28,775. The team also recommends that the township implement an other-than-single co-pay policy, saving \$11,000.

Finance

The team recommends that the township increase its monthly trailer park fee by \$5, for a revenue enhancement of \$22,920.

Cash Management

The township could yield a revenue enhancement of \$30,000 by soliciting proposals from area banking institutions and aggressively negotiating for higher interest rates.

Tax Collector

By preventing late mailing of tax bills, the township could yield a revenue enhancement of \$2,500.

Tax Assessor

The team recommends that the township hire part-time clerical help for the assessor, at an expense of \$10,000.

Court

The team recommends that the township place the revenue from the bail and general violations accounts into more aggressive interest-bearing accounts, for a revenue enhancement of \$975.

Public Defender

By increasing the application fee from \$50 to \$75 to cover the salary of the public defender, the township could yield a revenue enhancement of \$875.

The township should consider reducing public defender sessions to once every two months, saving \$1,350.

Public Works

The township could yield a productivity enhancement of \$19,107 by using the benchmark of 6.5 sick leave days the other municipalities have established in their public works department.

The team recommends that the township consider implementing one of the following two options:

Option 1 - realign the department to include the director and four driver/laborers, reducing the staff by four employees, saving \$65,000.

Option 2 - further reduce staff and have the township administrator handle daily management operations, saving \$105,000.

The township should consider performing its own vegetative waste collection instead of contracting out for this service, saving \$9,400.

The team recommends that the township solicit bids for waste collection, saving \$19,439. The township could save an additional \$11,999 from a reduction in tipping fees by using the Cumberland County landfill facility.

Planning and Zoning

The team recommends that the township consolidate the planning and zoning boards, saving \$1,500 in advertising expenses and professional fees for meeting attendance.

Shared Services

By merging the Buena Vista Township and Buena Borough courts, the township and borough could realize a cost savings of \$30,000.

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID,
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN
THE TOWNSHIP OF BUENA VISTA**

<u>Areas Involving Monetary Recommendations</u>	<u>Annual Savings/ Expense</u>	<u>Totals</u>
Clerk		
Increase liquor license fees to maximum allowed by law	\$64,735	\$64,735
Health Insurance		
Solicit cost quotations from other insurance providers every three years	\$6,500	
Implement other-than-single co-pay policy	\$11,000	\$17,500
Finance		
Increase monthly trailer park fee by \$5	\$22,920	\$22,920
Cash Management		
Solicit proposals from area banking institutes to negotiate higher interest rates	\$30,000	\$30,000
Tax Collector		
Prevent late mailing of tax bills	\$2,500	\$2,500
Tax Assessor		
Hire part-time clerical support for the assessor	(\$10,000)	(\$10,000)
Court		
Place revenue from two accounts into more aggressive interest-bearing accounts	\$975	\$975
Public Defender		
Increase application fee to cover salary of the public defender	\$875	
Reduce public defender sessions to once every two months	\$1,350	\$2,225
Public Works		
Productivity enhancement from using benchmark of 6.5 sick leave days	\$19,107	

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID,
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN
THE TOWNSHIP OF BUENA VISTA**

<u>Areas Involving Monetary Recommendations</u>	<u>Annual Savings/ Expense</u>	<u>Totals</u>
<i>Option 1</i>		
Realign department to include the director and four driver/laborers	\$65,000	
<i>Option 2</i>		
Further reduce staff and use township administrator to handle daily management	\$105,000	
Perform own vegetative waste collection instead of contracting out for service	\$9,400	
Solicit bids for waste collection	\$19,439	
Reduction in tipping fees by using the Cumberland County landfill facility	\$11,999	
		\$124,945
Planing and Zoning		
Consolidate planning and zoning boards	\$1,500	
		\$1,500
Shared Services		
Merge the township and borough courts	\$30,000	
		\$30,000
Total Recommended Savings	\$287,300	\$287,300
Total Amount Raised for Municipal Tax		\$818,959
Savings as a % of Municipal Tax		35%
Total Budget		\$3,116,224
Savings as a % of Budget		9%
Total State Aid		\$913,162
Savings as a % of State Aid		31%

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID,
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN
THE TOWNSHIP OF BUENA VISTA**

Areas Involving Monetary Recommendations

**Annual Savings/
Expense**

Totals

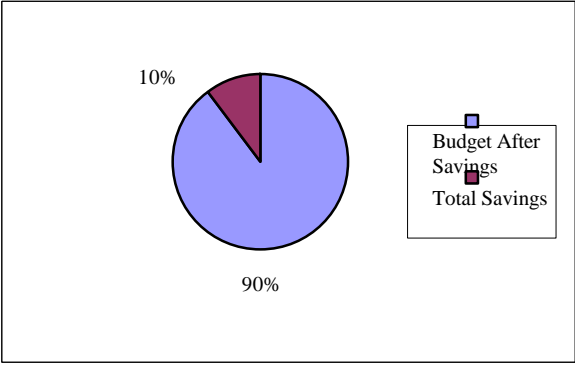
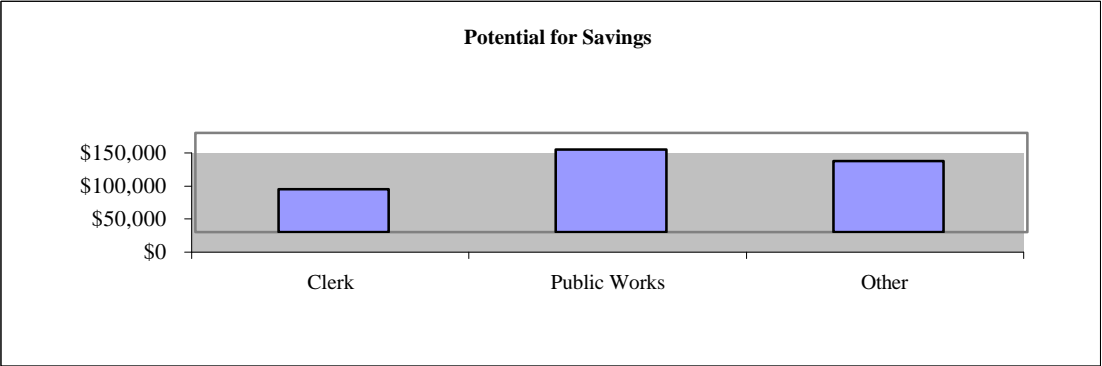


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COMMUNITY OVERVIEW

The Township of Buena Vista is located approximately 28 miles west of Atlantic City. Routes 40 and 54 intersect the community, providing high-speed access to the township. This rural township of 42 square miles contains numerous unincorporated communities and considerable vacant land.

According to the 1990 Census, the township had a population of 7,655. The composition of the population is 75% white, 16% black and 9% other groups. For 1998, the updated census estimate for the township's population was 8,118.

The township is largely rural. Agriculture has traditionally played an important role in the township with large portions of the township's land area occupied by farms. Several manufacturing firms are also present in the borough. Approximately 90% of the land area falls under the jurisdiction of the Pinelands Commission. Development in this area must conform to regulations of this state agency.

The township faces many economic challenges. Sewer infrastructure requirements and a neighboring urban enterprise zone reduce the township's opportunities to attract businesses to the area. Conversely, discussions with township officials indicated the need to balance economic development while at the same time preserving the rural quality of life that many residents enjoy.

The township is served by a regional school district. The borough provides dispatch services to the township's five fire districts. Other shared services include the publication of a regional newspaper and informal cooperation in public works activities.

I. BEST PRACTICES

A very important part of the Local Government Budget Review report is the Best Practices section. During the course of every review, each review team identifies procedures, programs and practices, which are noteworthy and deserving of recognition. Best practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and possibly save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot cite every cost-effective effort. The following are those best practices recognized for cost and/or service delivery effectiveness.

Newsletter

The township publishes a newsletter jointly with the adjacent Borough of Buena. The newsletter features topics of local interest and information regarding municipal services. The publication of the newsletter is financed through advertising revenue. Because of the communities' small population, coverage in major regional newspapers is sometimes lacking. This undertaking is a commendable example of innovative shared services and the provision of a valuable information source at minimal cost to the taxpayer.

Local Review Officer

Approximately 90% of the township is under the jurisdiction of the Pinelands Commission land use regulations. Subsequently, land development must conform to both township and commission land use regulations. Previously, this approval process required review by both the local government and the commission, sometimes increasing the length of time for developers to get approvals.

Recently, the commission allowed municipalities to appoint a local review officer to review applications and confirm compliance with Pinelands Commission regulations at the local level. The township greatly assisted developers in the township by expediting the review process.

Community Center

The township recently constructed a community center in the Newtonville section of the community. Through the provision of modular building units purchased from a municipality at nominal cost and volunteer labor, the township was able to construct a 10,000 square foot community center at a greatly reduced level of public expenditure. The township is to be commended for its initiative and resourcefulness in bringing this project to a successful completion.

Fuel Purchasing

In conjunction with the Borough of Buena and the Borough of Buena Municipal Utilities Authority, the township purchases fuel from the regional school district. Using fuel pumps located at the high school, these local governments are able to save money and reduce the

environmental liability of maintaining duplicative fueling operations for each jurisdiction. Additionally, the automated billing information provides valuable management information concerning the operator, vehicle and amount of fuel used for each transaction.

Recycling Center

Once a month, the township operates a recycling drop off point for use by township residents. Residents are allowed to dispose of recyclables, household hazardous waste and other assorted items. The township provides this service at minimal cost since the public works director oversees the function at no additional compensation. Finally, the township benefits by providing a geographically convenient location to dispose of items that may otherwise be dumped illegally.

II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS

The purpose of this section of the review report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings to the municipality and its taxpayers.

In its study, the review team found the municipality makes a conscious effort to control costs and to explore areas of cost saving efficiencies in its operations. Many of these are identified in the Best Practices section of this report. Others will be noted as appropriate in the findings to follow. The municipality is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that will result in reduced costs or increased revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. The total savings will lead to a reduction in tax rates resulting from improvements in budgeting, cash management, cost control and revenue enhancement.

MANAGEMENT OVERVIEW

The team concludes from its analysis that the Township of Buena Vista is a well-managed operation. The rural nature of the community, coupled with the corresponding expectations of its residents for an appropriate scope of municipal services, has produced a very low cost service environment. Interviews with township officials indicated a strong commitment by the governing body and department heads to provide responsive, cost-effective services to residents.

Staffing levels in the township are generally conservative. As in many smaller communities, workloads in the township do not often justify a full-time position to perform a particular function. The township is very skilled in assigning multiple tasks to employees. Particularly in the functions of finance, clerk and administration, the team found a high level of cross training. In public works, however, the team found opportunities for significant savings through outsourcing and better realignment of staff resources to workload.

Financially the team concludes that the township has prudently managed its finances and purchasing practices. Many of the problems affecting the tax base are attributable to factors beyond the control of the township government. Pinelands land use regulations and an adjacent urban enterprise zone appear to have greatly restricted the township's ability to expand its commercial and industrial tax ratables.

GOVERNING BODY

The township operates under the committee form of government. Under this form of government, the five-committee members are elected to staggered three-year terms. Every year at reorganization, the committee selects from among its members a mayor, who presides as chairman of the meetings.

In 1999, each member of the township committee received \$6,085 in salary and the mayor received \$7,775. No elected official received health benefits. At the time of the review, a clerical employee was assigned to provide administrative support to the mayor and committee.

CLERK

The municipal clerk serves under authority of N.J.S.A. 40A:9-133. The municipal clerk is the official custodian of the municipal seal and all vital municipal records including, but not limited to, all minutes, books, deeds, bonds, ordinance books, contracts, legal advertisements, and archival records of the township.

The clerk is the secretary to the governing body. In this role, the clerk is extensively involved in telephone work, preparing committee meeting agendas, copying documents for distribution, drafting letters to constituents, completing mailings, and attending governing body meetings. The clerk is also the person responsible for maintaining recordings and minutes of meetings, retaining original copies of all ordinances and resolutions, and ensuring that the ordinance book is current.

During the three annual elections, the clerk is the chief administrative officer and the year round registrar of voters. The clerk is also the administrative officer for the application and issuing of licenses and permits except where statute or municipal ordinance has delegated the responsibility to some other municipal officer.

Codification

A municipality's adoption of an ordinance is a significant act establishing legal obligations for citizens and businesses. Ordinances also communicate public policy to those affected. It is important that citizens, municipal employees and others having affairs with a municipality have a single resource from which they can easily find all of the laws and policies that the municipality has adopted. The orderly compilation of these ordinances is called codification and results in the development of a municipal codebook. The codebook is serviceable and must be supplemented with new material. Older sections need to be updated to reflect current practice and the changes in relevant statutes.

The updating of the Buena Vista Township codebook is an on-going process. The clerk's office administers the updates and distributes the new sections. A total of 25 books are maintained in this fashion.

The team commends the clerk's office for their diligence in maintaining the municipal codebooks.

Hours of Operation

The township clerk's office is the primary point of contact for citizens with inquiries or those wishing to purchase municipal permits or licenses. They also provide notary services to the public. The office is open from 9:00 a.m. to 5:00 p.m. during the week except for Tuesdays when it is open from 9:00 a.m. to 7:30 p.m. Based on our discussions with several staff members, there does not appear to be enough activity on Tuesday evenings to warrant staffing the office.

Recommendation:

The team recommends eliminating Tuesday evening hours in the township clerk's office.

Staffing and Organization

A municipal clerk, a deputy clerk, and one clerical employee staff the township clerk's office. The clerk has served the township for the past 16 years and has been certified since 1994. The deputy clerk resigned during our review and a new deputy has been hired. The clerical employee has been in the clerk's office for less than six months and is primarily responsible for operation of the telephone system, processing mail, filing, and assisting with various other duties. The team observed the clerk's office numerous times and interviewed the clerk, the deputy clerk and the clerical personnel. Based on this, it appears as though the municipal clerk's office is efficiently and effectively servicing the township.

In 1999, personnel expenditures for the municipal clerk's office were \$86,059. This represented actual salary paid to the employees as well as the cost of medical benefits and payroll taxes. Other expenses were approximately \$80,000. All of the expenditures associated with this office are incorporated in the administrative/executive budget, which includes expenses of both the clerk's office as well as the governing body. Therefore, 'other expenses' related specifically to the clerk's office are difficult to identify. Total expenditures for the three annual elections were \$1,533.

Minutes of Municipal Meetings

The Buena Vista Township Committee holds two regular meetings per month on the second and fourth Monday of the month and a workshop meeting on the first Monday of the month. The clerk attends all meetings and prepares the meeting minutes. The team found the minutes to be well maintained, properly bound and easily accessible. Prior meeting minutes were available for the governing body's approval at each subsequent meeting. In addition, the clerk's office processed five ordinances and 227 resolutions in 1999.

Recommendations:

It is recommended the township clerk delegate the actual preparation of the minutes to a subordinate. Although the township clerk is present at all committee meetings, the preparation of the minutes should be delegated to the deputy clerk or clerk in order to utilize the clerk in a more appropriate management role.

The clerk should provide a subordinate employee with notes and audiotapes to draft the report. The clerk's primary role should be review of the draft minutes and any corrections before submission to the governing body for approval.

Dog Licensing

The township clerk's office issues both dog and cat licenses at the township hall location. In addition, the clerk's office sponsors a licensing clinic on two Saturdays in March. Residents may obtain a rabies vaccination for their pets during this process. The clinics are held at two different locations in the township as a convenience to the residents. These clinics have been conducted for the past 10 years.

There are approximately 2,360 residential units in the township. According to the American Veterinary Medical Association's formula for computing dog populations, a community of this size (2,360 households) should have approximately 992 dogs. The number of licensed dogs at the time of our review was 997. Almost half of the licenses were issued at the clinics. This indicates the success of the program and demonstrates a very proactive approach to public health and safety as well as providing additional revenue to the township.

We commend the clerk's office for its initiative in providing this convenient service for its residents. Using national benchmarks for pet ownership, the township's rate of compliance for dog licensing is the highest that LGBR has observed in its reviews. The proper licensing of dogs and cats is a major deterrent in the spread of rabies and contributes to the general health and safety of the community.

Liquor Licensing

The township issues liquor licenses under the authority of N.J.S.A. 33 as stipulated in Chapter 33 of the Code of Buena Vista Township. The municipal clerk is charged with issuing all annual liquor license renewals, 12 in 1999. The township has 11 plenary retail consumption (bar) licenses and one plenary retail distribution (liquor store) license. There are no club licenses. The township code governing liquor licenses was last amended in 1984.

The township charges \$216 for the liquor store license and \$518 for each bar license. Title 33 allows a municipality to charge up to \$2,000 for every plenary retail consumption or plenary retail distribution license and \$150 for each club license. A municipality may increase its liquor license fees by ordinance up to the maximum allowed in the statute at a rate of no more than 20% per year, or \$500, whichever is less (N.J.S.A. 33:1-12 et. seq.). If the township were

to systematically increase its fees until they all reached their allowable limit, revenue from the sale of liquor licenses would increase \$64,735 over the next eight years. An additional \$9,451 could be raised over 13 years if the township also raised the distribution license to the maximum.

Recommendation:

We recommend that Buena Vista Township increase its liquor license fees to the maximum allowed by law.

Revenue Enhancement (Over Eight Years): \$64,735

ADMINISTRATION OF GOVERNMENT

The township has combined the administration and finance functions into a single office. The administrator fills the position of Certified Municipal Finance Officer (CMFO) for the township. The small size of the township government and its reduced range of services have produced a workload that is appropriate for such a combined position. The township is very fortunate to have a certified individual fill this position. The administrator's detailed knowledge of both financial and operational issues provided valuable insights to the team.

The office is primarily responsible for all treasury, finance and budget functions including purchasing and payroll. During 1999, there were two clerical employees assigned to the finance office. One of the clerical employees resigned in August and was not replaced. In 1999, the salary and benefit expenditures for the finance office were \$98,532. This represented actual salary paid to the employees, as well as the cost of medical benefits and payroll taxes. Other expenses totaled \$27,150.

The finance clerk is responsible for generating purchase orders, reconciling bank statements, processing new hires, administering the payroll function including pension and health benefits, as well as posting revenues and expenditures. The finance office generated 1,325 purchase orders in 1999.

The department is equipped with computers and a municipal finance software system is in place. The finance clerk is very familiar with the system and was adept at providing the team with information in a timely and effective manner. The finance office appears to be organized, well managed and properly staffed.

PERSONNEL

Due to the labor intensive nature of local government, personnel costs constitute the greatest single category of expenditure in the municipal budget. As in many smaller local governments, the township does not have a dedicated personnel department or human resources professional on

staff. The administrator's office is the lead agency for personnel management. Assisting the administrator is a clerical employee who processes payroll, insurance and other personnel matters as directed by the administrator.

Personnel Policies and Procedures

The township adopted the present personnel manual in 1997. The document is very comprehensive and incorporates the large body of state and federal labor regulations that were adopted in the 1980-90s. In addition to providing clear guidance to employees, the manual meets Joint Insurance Fund guidelines for employment practices liability coverage.

Performance Evaluations

The team reviewed personnel records to determine if performance evaluations are being performed on a regular basis. From the records available, it appears that evaluations were initiated in 1998 and sometimes occurred infrequently thereafter. The township utilizes a standard one-page form for its evaluation. A major concern of the team is that the rater's and employee's signature blocks were often unsigned. With this lack of documentation, the team could not determine who prepared the evaluation or whether the rated employee was actually counseled about his or her performance.

Performance evaluations are an important tool in maintaining an accountable and productive workforce. A properly administered evaluation system provides employees with important feedback and, if tied to compensation, can provide incentives for greater productivity. If performance remains deficient, repeated instances of poor evaluations may be used to discipline or terminate employees failing to meet standards.

Recommendations:

It is recommended the township supervisors regularly prepare performance evaluations for all employees on an annual basis.

It is further recommended the township require signatures on performance evaluations. The team recommends the following signatures be included on the township's evaluation form:

1. **Rated Employee:** The rated employee should sign the form acknowledging receipt of the evaluation and performance counseling by the rater.
2. **Rater:** The supervisor rating the employee should sign the form and counsel the employee verbally to ensure the employee fully understands his/her evaluation. The rater should respond to any questions from the rated employee regarding the evaluation and provide guidance for improvement.
3. **Reviewer:** The administrator should review all personnel evaluation forms to ensure the appraisal process is fair and objective.

Collective Bargaining Agreement

The township had one collective bargaining agreement with non-supervisory employees in the public works department. At the time of the review, the township was completing its contract negotiations and a new agreement was in the process of being approved by the governing body and union. The township personnel manual governs the terms and conditions of employment for all other non-contractual employees.

Overall, the collective bargaining agreement is very cost effective. Generally, the agreement has standard contract provisions governing benefits that are comparable to area municipalities. There are no special pay provisions that are frequently found in many other municipal collective bargaining agreements. The team also evaluated the agreement to determine if any provisions caused reductions in productivity or reduced management rights. Generally, the team found the agreement to strongly uphold management prerogatives. Reimbursement for sick leave upon retirement is capped at levels below the state benchmark of \$15,000.

The township is to be commended for keeping cost-driving features out of its collective bargaining agreement.

HEALTH INSURANCE

The township provides full hospitalization and medical coverage, dental, and life insurance to all full-time employees working 35 hours per week on a yearly basis. The group health insurance is provided through AmeriHealth. The plan is a Preferred Provider Organization (PPO) whereby the employee chooses doctors and hospitals from a network of providers. Out of network costs are generally paid at 80%. The township received an increase fee schedule for the period June, 2000 through June, 2001. The medical portion increased by 22.6% and the prescription drug benefit increased by 26.5% from the prior year. The cost of providing medical and prescription drug benefits for 19 full-time employees based on their current coverage selections for June, 2000 through June, 2001 was \$141,512.

The team compared the current medical premium rates for AmeriHealth with the New Jersey State Health Benefits Program (NJSHBP). The State Health Benefits Program offers three types of plans:

- The Traditional Plan reimburses for the cost of hospitalization, doctor visits, surgery, various medical services, and supplies. There are no restrictions in choosing a physician. The Traditional Plan, however, does not cover preventive or wellness care.
- A Health Maintenance Organization (HMO) provides complete coverage, including wellness and preventive care for medical services provided by affiliated physicians and hospitals.
- New Jersey Plus combines managed care with the option to receive reimbursement for services performed by out-of-network physicians, hospitals or laboratories.

We evaluated current coverage types for the 19 full-time employees and compared them to the options provided by the NJSHBP for either the Traditional Plan or NJ Plus. The premium for the Traditional Plan is about 27% higher than the NJ Plus Plan, therefore the savings incurred from switching to NJSHBP depends on plan selection by the employees.

Recommendations:

The insurance market has become very competitive in recent years and, therefore, it is advisable that the township solicit cost quotations from other providers approximately every three years. The township should consider the New Jersey State Health Benefits Program for the provision of health care benefits.

Cost Savings: \$6,500 - \$28,775

With the rising cost of health insurance, some school districts and other public entities are now requiring their employees to pay a 20% surcharge for medical insurance on coverages other-than-single. The township should consider implementing this policy. Employees selecting any coverage other-than-single would pay 20% of the difference between the cost of the single coverage and the coverage chosen (i.e., family, member/spouse, or member/child).

Cost Savings: \$11,000

The township could set up a medical savings account under Section 125 of the IRS code in order to lessen the effect of the co-pay and to reduce the tax burden for its employees. The employee would be exempt from paying federal taxes on this account.

INSURANCE

Buena Vista Township has been a member of the Atlantic County Municipal Joint Insurance Fund (ACMJIF) since 1990. Coverage provided by the Joint Insurance Fund (JIF) includes general liability, automobile liability, property, fidelity and performance, boiler and machinery, workers' compensation, police professional and public officials/EPL. The JIF requires participation in all coverages offered, and the commitment by the municipality is for three years. There are currently 31 municipalities in the JIF. The premium for fund year 2000 is \$113,167. A dividend credit of \$18,035 was applied to the first quarter payment. The total expenditure for the township for the current year is \$95,132.

In 1987, 24 communities in Atlantic and Morris Counties joined together in response to the escalating costs of municipal insurance and formed the Municipal Excess Liability Joint Insurance Fund, or "MEL." The MEL has grown rapidly since its inception to an organization that insures approximately 300 municipalities and 60 utility authorities in New Jersey. These municipalities and authorities represent 16 local JIFs. The MEL provides excess coverage over the ACMJIF coverage for a total of \$5 million.

As a condition of participation in the JIF, the township is required to appoint a commissioner to the JIF governing body. The township has appointed the administrator/CFO as the JIF commissioner. A contracted vendor is its risk management consultant. The JIF also requires the township to designate a safety coordinator. The Planning/Zoning Administrator provides this function.

Below is the 2000 assessment allocation:

Loss Funds	Amount	Percentage
Property	\$11,649	10.3%
Automobile Liability	\$7,255	6.4%
General Liability	\$13,602	12.0%
Workers' Compensation	\$18,862	16.7%
Deductible	\$10,572	9.3%
Operating Expenses	\$18,495	16.3%
Municipal Excess Liability	\$26,324	23.3%
Risk Management Consultants	\$6,408	5.7%
Total Combined Assessment	\$113,167	100.0%

In addition, the itemization for the 2000 fund year for the ACMJIF and the MEL for the township and its various additional insureds is as follows:

Entity	JIF	MEL	TOTAL
Buena Vista Township	\$60,537	\$27,624	\$88,161
Fire Districts	\$24,726	\$280	\$25,006
Total Assessment	\$85,263	\$27,904	\$113,167

The township has an active safety committee which meets quarterly. Based on our review of the loss-time ratio for the most recent three years, the township held a favorable position in three of the four areas. Claims filed for workers' compensation were consistent with other municipalities in the JIF. General liability and auto liability claims were practically non-existent. Property claims, however, were significantly above the average community in the JIF. This was due to a claim submitted by one of the fire districts. Although the fire districts reimburse the township for their portion of the JIF premium, the safety rating of the municipality is based on the combined claims history of the township and the fire districts.

We commend the township for its participation in the Joint Insurance Fund as a creative means for managing its risks and saving money.

Recommendation:

We encourage the township to assist the fire districts in efforts to improve their safety position since it impacts their Joint Insurance Fund premiums.

PROFESSIONAL SERVICES

The team reviewed professional service contracts for adherence to local public contracts law and good business practices. Engineering services are handled through a conventional fee for service contract. In 1999, the township paid \$50,560 for engineering services. The team's review of the engineer's contract and billing indicated standard charges and sufficient levels of detail.

The team has concerns regarding the township's salary payments for legal services. In 1999, the township solicitor received \$20,000. The township solicitor was also paid \$60,000 in salary for the title of foreclosure solicitor. In 2000, the township increased the foreclosure solicitor's salary to \$90,000 while maintaining the same salary of \$20,000 as township solicitor.

It is the position of LGBR that most professional services should be paid on a conventional fee for service basis. Salaried professionals are appropriate in the case of employees who are subject to normal management oversight by the employer and maintain their primary place of business in municipal offices. Since actuarial calculations are adjusted on a system-wide basis, the increased financial liabilities created by adding highly paid professionals are paid throughout the state pension system instead of by the individual municipality.

Recommendations:

We recommend the township pay the solicitor through a professional service contract with a retainer for meeting attendance and a fee schedule for legal services rendered.

It is further recommended the township issue a Request for Proposal (RFP) for the township's sizable number of foreclosures. By issuing an RFP, the township can determine if it is receiving a competitive price for this service. Furthermore, a detailed professional service contract should set performance requirements and only pay for legal services provided.

FINANCE

Overview

The township has many operational advantages allowing it to maintain low cost levels for municipal services. The provision of law enforcement services through the state police and other public safety functions performed by volunteer organizations have contributed to one of the lowest per capita municipal expenditures in the state. The state also performs uniform construction code functions for the township. Additionally, the township has limited its borrowing and retains ample debt capacity to fund future capital projects. After reviewing the township's financial practices, the team concludes that the township has managed its finances in a very conservative and prudent manner.

Offsetting these operational and financial advantages are major regulatory constraints to development, causing a subsequent rise in tax delinquencies as a result of many properties becoming undevelopable. Due to increased lot sizes associated with conformance to Pinelands

Commission land use regulations, opportunities for large-scale commercial and residential development are significantly reduced. As indicated in the assessment section of this report, the township has experienced stagnant growth in its taxable valuation. With property taxes constituting the primary funding source for local government, tax rate increases have resulted when the taxable valuation did not grow at the same rate as the costs of government.

The township, nevertheless, compares favorably with similar communities in Atlantic County. The following table compares property taxes and municipal expenditure levels for comparable communities in the area:

	Equalized General Tax Rate	Municipal Budget Per Capita
Buena Vista Township	\$2.04	\$383
Buena Borough	\$2.60	\$717
Estelle Manor	\$1.90	\$865
Folsom Borough	\$2.09	\$509
Mullica Township	\$2.44	\$616
Weymouth	\$1.89	\$433
Atlantic County Average	\$2.48	\$1,019

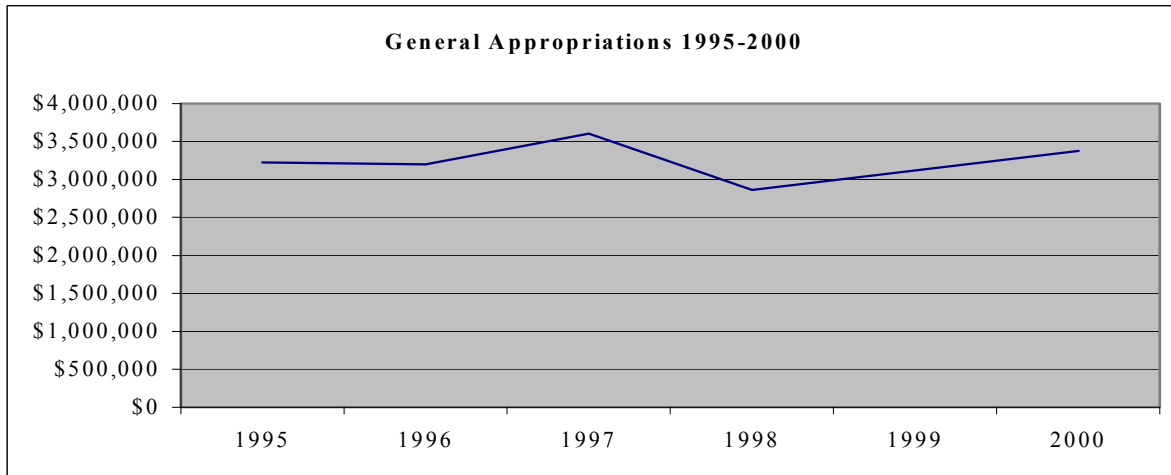
Source: 1999 NJ Legislative District Data Book

As discussed earlier, the use of state police for law enforcement services has allowed the township to maintain significantly lower levels of municipal expenditures than other communities in the area. To illustrate this benefit, the team estimates the annual operating cost of a municipal police department to be approximately \$1.5 million for a community of this size. Furthermore, this estimate does not include the initial costs of facility construction and equipment purchases.

The township's strenuous efforts to locate the state police barracks in the community are to be commended for further enhancing public safety in the community.

Budget

In 1999, the township budget was approximately \$3.1 million. The township raised \$818,958 in property taxes to support the municipal budget. Local revenues, state aid, and grants comprised the remainder of the revenues used to fund the township's operations. The table below illustrates the trend of the municipal budget over the past six years:



In 1999, the reserve for uncollected taxes was the largest portion of the municipal budget with \$606,895 budgeted for this purpose. The largest operating department was public works with appropriations of \$224,965 in salaries and \$134,850 in other expenses. Additionally, the township appropriated \$236,500 for solid waste collection and \$252,000 for tipping fees.

Debt Service

The township has maintained low levels of indebtedness. In 1998, the township net debt was 0.79% of total valuation as compared to the statutory maximum of 3.5%. Despite this low level of indebtedness, the township appears to be making appropriate capital investments. The team observed the condition of the vehicle fleet and other capital equipment to be acceptable. The condition of township facilities was quite good.

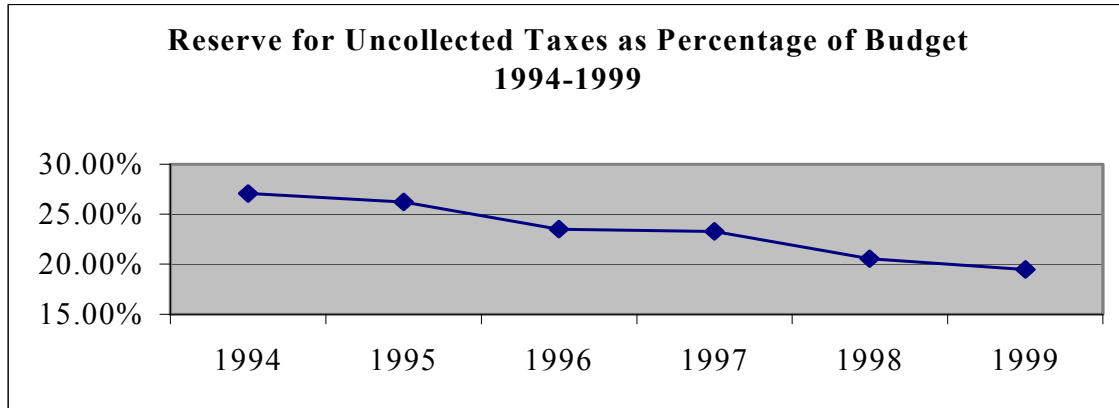
Prior to the team's review, the township completed several road construction projects. Road infrastructure projects are often costly in areas with extensive road networks and low population densities. Highly populated urban and suburban communities often have greater densities of valuation in relation to road mileage, making road projects more cost-effective. Given the rural character of the township, the team believes the present level of capital investment and maintenance in road infrastructure is adequate to ensure sufficient trafficability and safety.

Reserve for Uncollected Taxes

As the tax collector for the county, school district and other local governments, the township maintains a reserve to compensate for revenue losses arising from delinquent taxpayers. The reserve for uncollected taxes ensures that all taxing entities receive sufficient funding for their operations. The township determines the budget for this reserve through a formula based upon the total property tax levy of all local governments and the tax collection rate.

A key factor affecting the township's reserve requirement is the large number of delinquencies on properties that were rendered undevelopable by land use restrictions from the Pinelands Commission. Discussions with the tax collector indicated that the township held approximately 2,000 liens on properties fitting the above category.

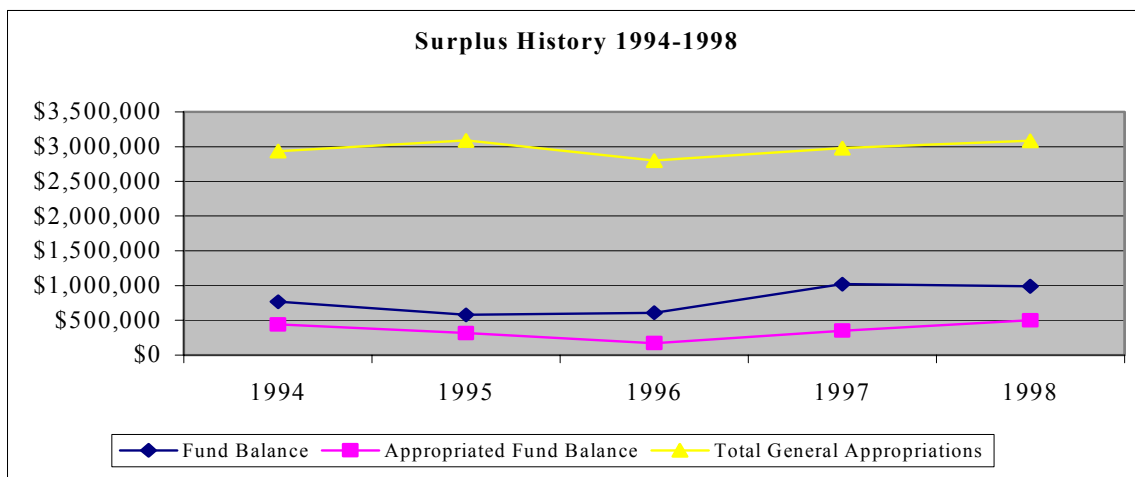
Through aggressive foreclosure efforts, the township has steadily acquired these delinquent properties and has subsequently reduced its reserve for uncollected taxes. During 1994-1999, the township reduced its appropriation for the reserve for uncollected taxes from \$795,186 in 1994 to \$606,895 in 1999. In relation to the budget, the table below illustrates the township's success in reducing the appropriations for the reserve for uncollected taxes:



Surplus

The township has a relatively stable surplus history. The growth of the fund balance and appropriated fund balance has generally corresponded to the township's budget with only minor fluctuations. Maintaining adequate levels of surplus places the township in a strong cash position and provides contingent funds for future unforeseen expenses without increases in the tax rate. Additionally, bond rating agencies identify stable surplus levels as a credit strength that can reduce the costs associated with issuing long term debt.

The chart below illustrates the township's surplus history in relation to the township's budget appropriations:



Mobile Homes

An important miscellaneous revenue for the township is trailer park fees. In 1999, the township collected \$75,332 in permits and fees from the township's five trailer parks. The clerk's office collects a monthly fee for each trailer in the township's four licensed parks. The township fee schedule charges \$10 for mobile homes in senior citizen parks and \$20 for all others. A review of the fee schedule in the township code indicates that the fees have remained the same since 1970.

Mobile homes present a unique taxing situation for the township. Although the trailer park and its fixed structures are assessed as real property, the mobile homes situated on concrete pads are not classified as real property and revenue from these dwellings cannot be raised through property taxes.

To remedy this situation, N.J.S.A. 54:4-1.6 authorizes local governments to collect a municipal service fee from each owner of a mobile home. The fee is based upon the cost of services provided to parks by local taxing entities.

The team compared the trailer park fees and property taxes paid by mobile homes with the property taxes from residential properties. Because of the seasonal occupancy in one of the parks, the team used the mobile home parks with year-round tenants to more accurately compare the two categories of dwellings. From this data, we calculated the average revenue generated from each category of dwelling. Our analysis indicated a substantial discrepancy in revenue between the two types of dwellings. Permanently occupied mobile homes generated an average of \$228 in revenue per unit and the average residential property paid \$1,936 in property taxes.

Recommendations:

It is recommended the township increase its monthly trailer park fee by five dollars for each classification of fee payer to adjust for the increased costs of government services over the past 30 years. Although it is difficult to compare an ad valorem taxing system with a municipal service fee system, the team believes the disparity in revenues between the two categories of housing requires an adjustment. The team estimates a revenue enhancement of approximately \$22,920 through this increase in fees.

The township should regularly update its fee schedule to correspond to increases in the property tax levy.

Revenue Enhancement: \$22,920

Purchasing

Overall, the team concludes that the township employs good business practices in its purchasing practices. The team randomly reviewed over 400 purchase orders for compliance to local public contract laws and cost effectiveness. From the team's review, it appears the township makes frequent use of cooperative purchasing opportunities such as buying fuel from the school district and participating in the county purchasing cooperative for selected bulk commodities.

Generally, the team found sufficient management oversight over most purchases, however, the team found that some areas would be benefited by closer scrutiny. The team found several instances of incorrect billing by the Atlantic County Utility Authority for the township's solid waste collection contract. Additionally, we found several instances of the township paying late fees to vendors.

Recommendation:

It is recommended that the township review its payment practices to ensure no late fees are paid.

CASH MANAGEMENT

The team reviewed the township's cash management practices in order to determine if the municipality was maximizing its interest earnings while adhering to sound business practices. All cash management functions are handled by the administrator/chief financial officer (CFO) who is responsible for investment decisions and any changes to the banking partner agreement.

Although the township adopted a cash management plan, the administrator/CFO does not currently generate a cash flow analysis. The township maintains all its cash balances with one bank, although the resolution naming authorized depositories of the township specifies seven banks as well as any other banking institution in the State of New Jersey. The administrator/CFO and the principal payroll clerk prepare the bank account reconciliations. The municipal court administrator is responsible for reconciling the bail and violations accounts.

Recommendation:

It is recommended that a cash flow analysis be prepared in compliance with N.J.S.A. 40A:5-14.

Banking Services

Since 1972, the township has designated an area bank as its primary banking services provider. As of December 31, 1999, the township maintained 25 accounts with this bank: 21 operating and trust accounts; three certificates of deposit and one escrow account. Another bank held one certificate of deposit at year-end. The average interest rate earned was approximately 2% on the operating and trust accounts and 4.7% on the certificates of deposit. There is no formalized agreement between the township and the bank.

The township's bank does not currently offer automated on-line banking services. On-line banking services are typically used for wire transfers, balance reporting and providing an efficient means of transferring funds as well as managing cash flows. The township has not solicited competitive bids from other banking institutions in several years.

Recommendations:

The team recommends that the township solicit competitive bids through a Request for Proposal (RFP) from several financial institutions. This will enable the township to make a comparison of services and related costs to ensure the best value for banking services.

The township should choose a banking partner based on overall performance including: convenience, level of sophistication and array of services (including on-line banking), return on investment, cost of the most frequently used services, accessibility to banking representatives, future branch construction plans and community reinvestment, among others.

In addition, we recommend the township execute a contract with its bank to specify the terms and conditions of the banking agreement. The chief financial officer (CFO) should request a detailed monthly account analysis from the bank which clearly defines interest rates, investible balances, interest earned and all service charges. The CFO should verify that this information corresponds with the terms of the banking agreement. This is a vital tool in assisting the finance officer to make prudent investment decisions.

Account Analysis

The bank does not typically supply an account analysis to the township; however, upon request a current month account analysis was provided to the team. The monthly statement specifies the interest rate and the average collectible balance. With this information, the team was able to recalculate the interest earned and verify that Minotola's stated rate of 2% was accurate.

The average collectible balance (investible balance) ranged from approximately \$725,000 to \$1.7 million during the year. The interest earned was \$24,880, which included \$2,329 of interest from two certificates of deposits.

The team compared the actual interest paid by the township's bank to the estimated potential earnings from the New Jersey Cash Management Fund (NJCMF) as well as to the 91 day T-Bill. These amounts were \$24,880 for the bank, \$54,460 for NJCMF, and \$51,130 for the 91 day T-Bill. We realize that in determining the average collectible balance, the bank does not deduct an amount for compensating balances to cover service fees. The team's estimated earnings for NJCMF and the 91-day T-Bill were determined by deducting 15% from the investible balance to generously estimate compensating balance requirements before comparing interest earnings.

Recommendation:

The team's analysis of the available cash in bank and year-to-date earnings demonstrated that the township could have earned a more competitive interest rate on its fund balances. Our review of a neighboring municipality found its cash holdings earning 4% (or double the township's interest rate) at the same bank. It is recommended the township seek proposals from area banking institutions and aggressively negotiate for higher interest rates and better services.

Revenue Enhancement: \$30,000

TAX COLLECTOR

Staffing

During 1999, two full-time employees staffed the tax collection office. The tax collector is responsible for issuing tax bills, collecting tax levies, processing delinquent accounts, generating monthly reports, and other tax related duties. In 1999, the salary and direct benefit costs for this department was approximately \$70,267. This included the employer costs of medical and dental benefits as well as payroll taxes. Other expenditures were \$15,224, which included such expenses as office supplies, postage, printing and maintenance contracts. The total cost of the tax collection effort was \$85,491.

There are 6,911 tax lines within the municipality. An efficient workload ratio identified in previous Local Government Budget Review reports is between 3,300 to 4,000 tax lines per staff person. The ratio for the township, based on two staff positions, is 3,456, which indicates a very acceptable level of efficiency for the tax office. The vendor who is providing computer software for the tax office also provides software for the finance office. All money collected by the municipality is deposited in the bank by the tax collector's staff.

The office has counter service for walk in traffic and remains open during lunch hour. There is no lock box available for taxpayers to drop off payments during non-business hours. According to the tax collector, there have been no concerns raised over the operational hours of the tax collector's office by the public.

Collections

Payments are due February, May, August and November. The tax bills should be mailed in July, after the township receives the certified tax rate from the county board of taxation. The township currently does not have the capability of generating its own tax bills in-house; therefore, a vendor provides the tax bills for a fee.

The collection rate for 1999 was 91.1%. As the following comparison indicates, the percentage of collections has fluctuated during the last five fiscal years between 88.94% in 1995 to 91.45% in 1998.

Comparison of tax levies and collections:

Year	Tax Levy \$	Collections \$	Collection %
*1999	\$6,361,397.07	\$5,795,466.63	91.10%
1998	\$6,065,479.97	\$5,546,738.33	91.45%
1997	\$6,027,098.41	\$5,483,289.28	90.98%
1996	\$5,763,270.62	\$5,136,027.17	89.12%
1995	\$5,630,061.99	\$5,007,326.92	88.94%

*1999 - unaudited

As noted in previous LGBR reports, the State of New Jersey recognizes an acceptable tax collection rate as 95%. The township's collection rates are below that acceptable benchmark.

Every 1% of collection rate is equal to \$63,614 of tax receipts in the township. It should be noted that because of the low rate of collections, property taxes in subsequent years must be raised to compensate for the shortfall. This is reflected by the necessity of establishing a higher “reserve for uncollected taxes” during the budget process.

The percentage of delinquent taxes of the total tax levy for 1997 and 1998 was 22.17% and 21.45% respectively. The delinquency rate as a percentage of the tax levy has steadily decreased since 1994. The tax collection office sends delinquency notices four times during the year.

Year	Liens \$	Delinquent Taxes	Total Delinquent	% Tax Levy	# Liens
1998	\$824,263.83	\$477,068.82	\$1,301,332.65	21.45%	2,826
1997	\$870,821.79	\$465,111.22	\$1,335,933.01	22.17%	*1,200
1996	\$960,484.93	\$556,169.36	\$1,516,654.29	26.32%	*2,000
1995	\$1,204,956.43	\$514,469.81	\$1,719,426.24	30.54%	5,320
1994	\$1,141,064.73	\$644,216.23	\$1,785,280.96	33.08%	2,263

*Estimated

Recommendations:

It is recommended the township increase its efforts to collect delinquent taxes. The tax office should continue its efforts to send out delinquent notices on a quarterly basis, and may even consider doing this more frequently. The notices should be generated automatically at two weeks overdue.

Additional steps such as contacting delinquent taxpayers by telephone should be considered. Increased collections can be accomplished in a variety of ways including, but not limited to, aggressive and timely written notices with follow-up personal contacts.

Lien Processing

The township holds tax sales once a year, usually in December. Determinations as to which properties to foreclose on appear to be left to the foreclosure solicitor. It should be pointed out that the failure of any municipality to properly address the area of tax sales, liens and foreclosures results in the township having to increase its reserve for uncollected taxes. State statutes require that the municipality pay 100% of billed taxes to the schools and the county regardless of whether the taxes are collected or not. Therefore, any shortfall in collections is subsidized by the local purpose (township) share of property taxes and is provided for in the aforementioned reserve.

Automated Posting

There are currently two mortgage brokers who provide the tax office with a diskette for automated posting. This accounts for approximately 600 line items, which is about 9% of the total 6,911 tax line items. Automated posting is a more efficient method of processing tax payments than posting manually.

Recommendation:

The tax collector should attempt to increase the number of automated postings by contacting other mortgage brokers and arranging to take the necessary steps in order to automate payments.

Operations

The tax billing and collection process is very standard in its procedures, as prescribed by statute. The bills are printed and shipped to the township at a cost of approximately \$1,480. Once the bills are received at the township, they are verified and mailed to the residents. Payments to the tax office are due quarterly (August, November, February, and May), with the first two quarters' bills being actual bills and the last two quarters' bills being estimated. Each account is given a 10-day grace period before penalties are assessed. The township is at the 8% and 18% statutory interest charge limit for delinquent payers, and a flat 6% penalty for accounts with an outstanding balance in excess of \$10,000 at the end of the year, as allowed under N.J.S.A. 54:5-61.

The tax bills in the township are sometimes sent out late, requiring a 25-day extension to the residents from the date the last tax bill is mailed. In 1999, the tax bills were mailed by August 1st and in 1998, they were sent by July 24th. Many municipalities use the tax bill mailing as a means of communicating with their citizens. An insert can be included with the tax bill that may not increase the cost of postage and thereby convey some pertinent information to the general public at no extra cost to the municipality.

This can be an excellent method of communication, but not when it causes a delay in the mailing of the tax bill. In Buena Vista Township, tax bills were not mailed on time for the last several years because the tax collector had to wait to receive "inserts" from the township. Consequently, taxpayers were given an additional three to four weeks to pay their tax bills. Problems with having to grant a 25-day extension to the residents include disrupting the cash flow of the township, reducing the amount of time that funds accrue interest in the bank and disrupting the workload of the tax collection office.

Recommendation:

The township should make every effort to prevent the late mailing of tax bills.

Revenue Enhancement: \$2,500

TAX ASSESSOR**Overview**

The township has an assessed valuation of almost one-quarter of a billion dollars. Over the past four years, the township's total valuation has increased at a rate of 1.28% per year. The last revaluation of the township was in 1990. The following table illustrates the composition of the township's assessed valuation and the growth in its assessed value:

	1997	1998	1999	2000
Vacant Land	\$5,235	\$4,719	\$4,520	\$4,176
Residential	\$2,171	\$2,202	\$2,226	\$2,237
Farm	\$417	\$406	\$405	\$409
Commercial	\$85	\$86	\$87	\$89
Total Lines	\$7,908	\$7,413	\$7,238	\$6,911
Total Assessed Valuation	\$234,548,300	\$237,092,850	\$240,781,050	\$243,699,800

Staffing

The tax assessor has served in the township since she was hired as a part-time assessor in 1994. The assessor was then appointed as full-time assessor in 1998 and has attained tenure. The assessor possesses considerable knowledge and background in the assessing field and previous experience in revaluation. In addition to her core assessing duties, the assessor performs all office functions without benefit of clerical assistance.

The assessor is active in the Atlantic County Assessors Association and regularly attends conferences, seminars and continuing education courses. Her involvement in various professional organizations demonstrates a commitment to providing quality assessment services to the community. The township is commended for supporting the professional development of a key staff member.

Recommendation:

It is recommended the township provide the assessor with part-time clerical help. The addition of a part-time clerk would enable the assessor to perform her statutory duties with greater efficiency. Presently, the assessor spends a large amount of time answering phones, filing deeds and other routine office tasks that could be handled by a clerk. The provision of a clerk would allow the assessor more time to conduct field inspections for regular added assessments and farmland assessments.

Value Added Expense: \$10,000

Evaluation of Assessed Values

Several factors need to be analyzed in order to determine if the township should contemplate an update its assessed property values. These factors include a review of the 1) Equalization Ratio, 2) Coefficients of Deviation, 3) Quality of Property Record Cards, and 4) Quality of Office Technology. The reason to perform an update of assessed values is to distribute the tax burden equitably within the district by assessing each property at the current market value.

Equalization Ratio: The current rate of 84.85% indicates that properties are selling for more than their assessed value. By updating the assessments to 100% of full market value, the impact to the taxpayer is not as great as a complete revaluation. The table below illustrates the variations of the township's equalization ratio during 1997-2000:

1997	1998	1999	2000
86.79%	86.45%	87.96%	84.85%

Coefficients of Deviation: The coefficient of deviation is a method of statistically analyzing a group of assessment-sales ratios. A higher coefficient of deviation indicates a poorer degree of uniformity of assessments and a likely need for revaluation. Conversely, a lower coefficient of deviation indicates a better degree of assessment uniformity in the taxing district. For the purposes of this report only the general coefficient will be examined. The general coefficient is the measure of variation in assessment-sales ratio for all properties sampled without regard to property class, property size or other property characteristics. The table below illustrates the four-year trend for the general coefficient:

1997	1998	1999	2000
12.37%	9.82%	8.98%	14.59%

International Association of Assessing Officers standards on ratio studies indicate that the acceptable range is 10-20%, but less than 15% is better.

Property Record Cards: Since the last revaluation in 1989 for the tax year 1990, the assessor has continually updated the property record cards to reflect any changes made to ownership or the physical characteristics of the property.

Office Technology: The office has a computer terminal linked with the Vital program for the input of SR-1A data to the County Board of Taxation. A second computer is linked to the tax collector's office with the Edmunds financial system.

Recommendation:

The team recommends the township tax assessor update its property assessments to more closely reflect true market value. As previously recommended, the addition of a part-time clerical employee will allow the assessor to devote more time to fieldwork. By updating its assessments in this manner, the township may avoid the expense of hiring a third party revaluation firm to perform this function.

COURT

While the team recognizes the separate authority and responsibility of the judicial branch of government, we make the following comments and recommendations to provide Buena Vista Township with information on current and potential operations, procedures and programs available to the court. Recommendations are made with the knowledge that further review and approval by the appropriate personnel is required.

Operations

The team observed a number of court proceedings, toured the facilities, and interviewed essential persons working in or directly associated with the municipal court. The court sessions observed by the team were conducted in an orderly and professional manner. The municipal court was well-organized with a cohesive group of customer service-oriented employees.

Regular court sessions were scheduled twice a month in the evening on the second and fourth Wednesdays of the month. Six special sessions were also scheduled throughout the year. The typical docket consisted of 125 to 130 traffic violations as well as approximately 30 criminal matters.

The court added 3,175 complaints in 1999. There were 2,825 traffic summonses and 350 criminal complaints issued during 1999. The traffic summonses consisted of 2,728 moving violations and 97 DWI summonses. The court disposed of 3,536 complaints.

Financial

In 1999, the salary and wage expenditures for the municipal court were \$71,893. This represented actual salary paid to the employees as well as the cost of medical benefits and payroll taxes. Other expenses totaled \$4,392. The salary and direct benefits paid to the judge in 1999 totaled \$15,481. The judge did not receive medical benefits. Substitute judges are generally not used in Buena Vista Township. When there is a conflict of interest, the case is sent to a neighboring court and Buena Vista Township Court reciprocates by accepting cases from these courts.

The overtime paid for 1999 totaled \$810. The majority of these hours (75%) was associated with overtime for the deputy clerk when the court administrator was on a medical leave in 1999. The remainder of the overtime hours (25%) was for evenings when court was scheduled.

The court administrator is responsible for responding to calls to sign commitments 24 hours a day. Buena Vista Township court has adopted a "fax complaints policy" as authorized by the Supreme Court for instances when it is not expeditious to contact the judge. This procedure involves telephone contact with the court administrator whereby she transmits signed documentation by fax. Upon return to her office on the next business day, she confirms all copies of the documents. She utilizes a pager, which the township supplies, and a facsimile machine, which is her personal property, to transmit documents. Since the court administrator is salaried, there is no overtime associated with callouts when performed by the administrator.

We commend the township for utilizing the "fax complaints policy" as authorized by the Supreme Court.

Recommendation:

The court administrator should attempt to eliminate overtime for the deputy which is associated with court sessions. This could be accomplished by scheduling the deputy for later start times on evenings when court is in session.

During 1998, the court collected \$292,204 in revenue. The township retained \$90,497 of this revenue. The court disbursed the balance to state and county agencies. The court administrator maintains a bail account and a general violations account. Both accounts include criminal and traffic offense fines and are interest-bearing accounts. The monthly bank reconciliations have not been completed for 1999. During the 1998 municipal audit, an error was noted in the bank

reconciliations. Subsequently, all 1998 reconciliations had to be reconstructed. At the time of our review, these reconciliations had not been completed. All fines collected were transferred to the township, the county, and various state agencies, no later than the 15th of the month in accordance with state statute.

Recommendation:

The interest earned on these two accounts could have been substantially greater if the funds had been invested in more aggressive interest-bearing accounts. In addition, monthly bank reconciliations should be completed timely to ensure accountability. Based on the staffing of the municipal court office as noted in the shared services section of this report, this court is slightly overstaffed. Therefore, there should be ample time to complete routine tasks required by this office.

Revenue Enhancement: \$975

Organization/Staffing

During 1999, the municipal court had a staff of two full-time employees, one part-time employee, and one part-time constable as well as a judge. The full-time staff of the court consists of a court administrator responsible for the overall management of the department and one deputy administrator. There is also a court recorder/interpreter who only works during court sessions.

The judge presides over each court session, and is on call 24 hours a day to handle emergency matters that may occur. During court sessions, the court recorder/interpreter works at the bench monitoring the recording system. During the sessions attended by the review team, the court recorder/interpreter was called upon several times to assist defendants as an interpreter. The court administrator assists the judge and enters dispositions into the Automated Traffic System/Automated Complaint System (ATS/ACS). The deputy court administrator works in the office cashiering, preparing time payment applications, and processing papers for those sentenced to probation, community service, or attendance at the intoxicated driver resource center.

The court proceedings we observed started at the scheduled time. On a typical evening, the court administrator addresses the court at 6:00 p.m. and takes roll call. At approximately 6:10, the judge reads the instructions pertaining to the use of the public defender, civil reservation, and other legal matters. Defendants are given an opportunity to meet with the prosecutor or public defender. The court sessions we observed were quiet and free of disruption. The municipal court staff was able to accommodate competing demands in a flexible and professional manner.

The court constable provides security during court sessions. The judge's bench is equipped with a bulletproof shield. In addition, a remote alarm is positioned at the bench and in the court office. The state police are present at all regular court sessions and provide additional security by their mere presence. The state police handle prisoner transportation.

Facilities

The municipal court and the court administrative offices are located in Buena Vista Township Hall. The courtroom appears to be adequate in size with a maximum occupancy of 100. The records held for retention by the court staff are stored in the court administrative office. The records are arranged in a systematic and organized fashion which provides for efficient retrieval.

Case Management

The court receives summonses from a variety of agencies. These include the NJ State Police (NJSP), the NJDEP Division of Fish, Game and Wildlife, the zoning officer, the animal control officer, and the code enforcement officer. The court administrator delegates entering complaints, scheduling cases, cashing, and producing failure to appear notices and bench warrants to the deputy. The deputy appears to be well-trained and cross-trained in most areas.

The court operates the Automated Traffic System (ATS) and Automated Criminal System (ACS) from the state Administrative Office of the Courts. The ATS/ACS software provides elaborate record keeping and case tracking for the municipality and the state judicial system. The ATS has been in use since June, 1992 and the ACS since November, 1993. The staff appears knowledgeable in the various features and uses of the systems.

The current caseload per month per employee is 147 cases. Many factors affect the ability of a court staff to process cases. Foremost is the mix of parking, moving violation, and disorderly person (criminal) cases. For Buena Vista Township, it consists of less than 1% parking, 86% moving and 14% criminal/DWI cases. Other factors include the training, experience, and diligence of the staff. Buena Vista Township's caseload per employee appears low in comparison to several other courts we reviewed. Since the court is relatively small in size, it is sometimes difficult to achieve certain efficiency levels that larger courts can accomplish due to economies of scale. The 1999 statistical ATS/ACS reports show the average case disposal rate was 111% indicating that the staff is effectively utilizing the ATS/ACS computer.

The State Police and Buena Vista Township court administration appear to have a good working relationship. This is important to the taxpayer because issues such as the transportation and housing of prisoners, scheduling of police officers for testimony, and processing persons into prison can cause significant overtime and staff frustration if not properly coordinated. We found the court schedule was coordinated with the state police work schedule to minimize police overtime for court appearances.

Time Payments

At times, defendants are unable to pay the fines assessed in court. In these cases, the judge may allow a defendant to make periodic payments or "time-payments." In many courts, time payments become delinquent requiring aggressive follow-up by the court staff. In reviewing the time payment accounts of the Buena Vista Township Court, we found court personnel actively pursuing the collection of delinquent accounts, however total outstanding time payments have increased approximately 13% during 1999. The value of the time payments accounts as of March, 2000 was \$172,667.

The Buena Vista Municipal Court may be a candidate for the Comprehensive Enforcement Program (CEP). The CEP is offered through the Administrative Office of the Courts (AOC) by application. The program assists the courts in locating defendants who failed to make the required payments and have not responded to collection methods. According to the legislative guidelines regarding this program, the CEP retains 25% of the amount collected.

Recommendation:

The township should consider filing an application with the Administrative Office of the Courts to participate in the Comprehensive Enforcement Program for the collection of delinquent funds.

Credit Card Payments

Recent revisions to the rules governing the administration of the NJ court system permit municipal courts to accept credit cards for most payments due to the court. Buena Vista Township has not yet adopted the use of credit cards in the court. Using credit cards could minimize the number of time payment applications. This would save the administrative time needed to process the time payment applications as well as provide a more timely receipt of cash.

Recommendation:

The municipal court should consider accepting credit cards for payment of municipal court fines.

PUBLIC DEFENDER

The municipal public defenders law, N.J.S.A. 2B:24-1 et. seq. requires each municipality to hire a public defender. The public defender in Buena Vista Township has a one-year professional contract as outlined in the resolution, however no formal contract exists between the public defender and the township. The law also provides that the township may charge an application fee of up to \$200 for those requesting a public defender. The fee in Buena Vista Township is \$50. The township is to use the fee to offset the costs of contracting a public defender including expenses relating to expert witnesses, and discovery. During 1999, the judge granted 34 requests for the public defender, which generated revenue of \$1,700. Since most defendants who are assigned a public defender participate in the time payment program, the township did not realize this entire amount in 1999. Public defender fees collected were \$1,175.

Recommendations:

We recommend that the governing body amend the ordinance, which stipulates the application fee for representation by the municipal public defender. This amount should be increased from \$50 to \$75 to cover the salary of the public defender. Although \$1,700 in public defender fees was assessed in 1999, only \$1,175 was collected which is approximately two thirds of the fee.

Revenue Enhancement: \$875

The public defender has served Buena Vista Township for three years. The terms of the resolution for 1999 provided compensation at the rate of \$200 per court session. Compensation for the year 2000 is \$225 per session. The township paid the public defender \$1,800 during 1999 for handling all cases assigned. The public defender does not receive health, sick leave, or vacation benefits. There is no “other expenses” budget for the public defender, and a review of the vendor summary indicates there were no expenses such as witness or discovery fees for 1999.

The public defender generally appears at one court session per month, however, because of a very light caseload on several occasions, he appeared at only nine sessions in 1999. In addition to the time spent in court, the public defender meets with clients outside the courtroom and on occasion may deem it necessary to hold a teleconference. Based on the assignment of 34 cases to the public defender in 1999, the average cost per case was \$53.

In addition to requiring the municipality to appoint a “municipal public defender,” the Municipal Public Defenders Law also addresses the application fee levied by the judge. It states that, “The application fees collected by the municipality from defendants for the services of the public defender shall be deposited into a dedicated trust fund.” The township does not maintain a trust fund for public defender fees.

Recommendations:

The township should consider reducing public defender sessions to once every two months. Based on the present public defender schedule of once a month, there would be two to three cases per session. By scheduling the public defender for six sessions per year, this would result in approximately five to six cases per session, which is a very reasonable workload.

Cost Savings: \$1,350

The municipality’s chief financial officer should establish and administer a trust fund for public defender application fees as outlined in N.J.S.A. 2B:24-17.

PROSECUTOR

Township committee appointed the prosecutor to present municipal complaints to the court. The prosecutor has been serving the township since 1992. During the team’s review, the prosecutor was present for each court session, prepared for his cases, and ready to proceed on all matters. The prosecutor plea-bargains a significant volume of the cases in consultation with the complaining officer and the defendant. This serves to expedite the court docket.

One of the duties of a prosecutor is to assist with the record management pertaining to the discovery process. Accordingly, when a case involving a police officer goes to trial, the defending attorney requests a copy of the police file concerning the case. Typically, the

prosecutor reviews the police file and approves the items the police may release to the defense attorney. The police record bureau makes the copies and mails the documents to the defense attorney. The prosecutor established a \$20 fee for these documents.

The prosecutor has a one-year professional contract as outlined in the resolution, however no formal contract exists between the prosecutor and Buena Vista Township. The terms of the resolution for 1999 provided compensation at the rate of \$250 per court session. Compensation for the year 2000 is \$275 per session. There were 24 regular court sessions and six special sessions in 1999. Therefore, the prosecutor earned \$7,500 and was paid as an employee of the township. The total employee position cost to the township was \$8,074, which did not include health benefits.

Recommendation:

We recommend that a formal contract detailing the professional services of the prosecutor be drafted and signed.

PUBLIC WORKS

Organization

The public works department has eight full-time employees and one part-time person. The organization is comprised of a department director, a supervisor, and the balance of the employees are considered driver/laborers. Public works employees perform a full range of tasks with the exception of vehicle maintenance, which is done on a part-time basis by a single employee.

The department is responsible for the maintenance of roads, public buildings, parks, and equipment. Since solid waste collection is contracted, the department has only minor responsibilities with this function. The public works facility is located approximately two miles from township hall.

Financial

The cost for public works functions was \$482,318 in 1999. Of this amount, \$276,450 was for salaries and direct benefits and \$205,868 for other expenses. Additionally, contracted solid waste, recycling and yard waste collection cost \$232,579 and tipping fees were an additional \$149,501. The Environmental Investment Charge assessment was \$78,828.

Operations and Management Control

The department performs primarily road and facility maintenance throughout the township's 42 square miles. Although the township encompasses a large geographic area, the service demands of the residents are minimal. The department has no mission statement and due to the limited number of employees, has no established table of organization. The employees report to the public works facility at the beginning and the end of the workday. A time clock is used to

document the employees' time. There is no written work order system in place to record the employees' work activity or the materials and supplies used to complete scheduled assignments.

With the minimal number of employees in the department and the broad range of tasks, work assignments vary considerably from day to day. This variation is also due to the high rate of absenteeism within the department. The team's review of the daily work schedule, assignments, and reports found that many job tasks were not completed in a timely manner. The director spends much time checking the work activity of the employees. A general observation of the team is that employees lack the motivation to complete the assigned tasks.

In addition to its regular employees, the department uses the work release program of the county correctional facility to assist the paid staff in completing their tasks. Almost on a daily basis, three to five work release prisoners perform manual labor functions such as raking leaves, picking up brush and sweeping parking lots and intersections. The township is responsible for providing transportation from the correctional facility in Mays Landing to the work sites and returning the individuals to the facility at the end of the day. Due to the procedural requirements at the correctional facility and the transportation time, the actual time available for township work is approximately four hours per day.

Public works is the only department that operates outside township hall. It is charged with servicing all township buildings, parks, and roads. The department maintains and performs minor repairs for three public buildings (the township hall, the Martin Luther King Center, and the public works facility). There are four parks and recreational facilities (Richland, Lake Ann, Newtonville, and Collins Lakes) that require cleaning, regular grass cutting, and general work. Road maintenance includes patching potholes, cleaning drains, removing debris, cutting roadside grass and installing street signs.

An independent contractor provides janitorial service for the township hall and the Martin Luther King building.

Absenteeism

The team reviewed sick leave usage for 1998 and 1999. It was apparent that non-supervisory employees use an excessive amount of sick leave. For the purpose of this review, it should be noted that each employee receives 15 sick days per year, accumulated at the rate of 1¼ days per month. Employees may carry over a maximum of 36 accumulated sick days per year.

Listed below is a chart summarizing the number of sick, injury and other unscheduled leave days that the six employees took in 1998 and 1999:

	1998	1999
Sick days	70.5	86.5
Other Days Off (workers' compensation, suspension, absent without pay)	94	106
Total Unscheduled Days Off	164.5	192.5
Average Days Off per Employee	27.41	32.08

As the chart indicates, the rate of absenteeism is extremely high, especially for a department with a limited number of employees. In contrast to non-supervisory employees, the two supervisors' attendance was perfect.

Recommendations:

It is apparent that the excessive use of sick leave has occurred over many years in this department. The township has attempted to address this problem by negotiating a stricter home confinement provision in the road department's collective bargaining agreement. While this contract does provide management with the controls to address the issue, additional recommendations concerning number of days absent and acceptable attendance standards will be discussed in the personnel section of this report. Using the benchmark of 6.5 sick leave days that other municipalities have established for absenteeism in public works departments, Buena Vista would realize a productivity gain of approximately 154 workdays.

Productivity Enhancement: \$19,107

Due to excessive use of sick leave and resulting low productivity of the work force, the team recommends the outsourcing of many functions with a corresponding reduction in staff. The specific recommendation for a reduction of the work force will be outlined in the reorganization section of this report.

Fleet Maintenance

Fleet maintenance plays a vital role in enabling the department complete its daily tasks. The mission of the fleet maintenance operation should be to provide effective and efficient vehicle service that affords the users ample and safe equipment. A consistent preventive maintenance (PM) program should be an integral part of the fleet maintenance mission. A good PM program includes the routine scheduled inspection, alteration, and replacement of vehicle parts and fluids designed to correct conditions that may result in future mechanical failure. A properly implemented PM program not only increases the life of vehicles but also increases the operational availability of the fleet. Increased availability is directly related to the equipment required to meet the needs of the township. When vehicles and equipment are available, fewer backups are required. Lastly, improved preventative maintenance produces lower acquisition and maintenance costs.

The township operates a small fleet of specialized vehicles and equipment to provide municipal services. The equipment includes:

- four tractor mowers;
- one trash truck;
- one backhoe;
- one chipper; and
- one grader.

Other vehicles include:

- one car, for use by municipal employees;
- one van for the Even Start program; and
- eight public works trucks (five pick-up trucks, two five-yard dump trucks and one three-yard dump truck).

The public works department is responsible for the maintenance of all motorized equipment. At the time of the review, one employee was serving as mechanic and performed most of the maintenance and repair work on the equipment. The public works department has recently established a preventive maintenance program for servicing the vehicles. The township has also implemented a pre-trip inspection form, however it is not routinely completed by employees and is of limited value as a management tool.

Repairs

The procedure for implementing vehicle repairs is on an as-needed basis. A work order system was recently established to track the repair work, however, a vehicle history file does not exist. The facility is adequate with respect to available workspace to perform vehicle repairs, but there is no vehicle lift to assist with the repairs. There is minimal room for parts storage. In 1999, \$25,000 was budgeted for the maintenance and repair of the equipment of which \$21,890 was spent.

Recommendations:

While the team commends the township for initiating a driver pre-trip inspection form, it is recommended that all employees operating vehicles be required to consistently complete this form. This program should require drivers to check vehicle fluids, brake lights, turn signals and other operator-level maintenance checks.

A properly managed pre-trip inspection sheet is a useful tool in determining and scheduling vehicle maintenance. The public works director should regularly review these forms and make periodic inspections to ensure all motorized equipment parts are operational and safe.

Vehicle Equivalents

The vehicle equivalents (VE) formula is a method used to determine the staffing level needed to maintain vehicles. It was developed by the US Air Force and is recognized by various fleet maintenance-consulting firms as one of the best guidelines for analyzing staffing levels. This method determines the average number of hours of maintenance and repairs a vehicle requires and converts those hours into VE. For example, a standard passenger vehicle requires, approximately 17.5 hours of work per year. In contrast, a trash compactor truck requires 136 hours per year, which is eight times the work of a passenger vehicle or an equivalent of eight VE.

The VE ratio is determined by dividing the required hours to maintain a vehicle fleet by the number of annual available mechanic hours. For the township, a full-time mechanic has

approximately 1,750 hours available annually. This is determined by deducting the number of paid leave hours from a standard 2,080-hour year. The available hours are divided by the maintenance requirements for one passenger vehicle to determine the VE ratio. The industry standard is a ratio of approximately 100 VE per mechanic for an efficient maintenance program.

Based on the composition of the township's fleet, the team calculates that the township has a VE of 41 or a yearly requirement of 717.5 maintenance hours. Using this calculation, the township's staffing requirement would be 41% of one full-time equivalent (FTE) employee.

Recommendations:

At present, a township employee is working nearly full-time as a mechanic. The vehicle equivalent (VE) rating demonstrates that the vehicle maintenance work can be completed by less than one part-time employee. The team recommends that the township outsource all preventive maintenance and repair work for its motorized equipment. The township should issue a Request for Proposals (RFP) to establish a shop rate plus a mark-up rate on parts. The team also recommends that a vehicle file and repair history report be included with the RFP.

The employee currently performing as the mechanic should be reassigned to his previous position of driver/laborer.

Fuel Usage

In 1998, the township established an interlocal services agreement with the Buena Regional School District to purchase gasoline and diesel fuel and to use the district's facilities to provide fuel for the township's vehicles. With its billing, the school district provides the township with a printout summarizing monthly fuel usage by date, vehicle and employee. This report enables the township to closely monitor their fuel usage activity. This automated system provides excellent management information regarding the township's fuel consumption. The team commends the township for this cooperative effort to reduce costs and lower environmental risks associated with operating its own fueling operation.

Road Maintenance

The department installs street signs, patches potholes, maintains rights-of-way, grades unimproved streets and maintains storm drains. Additionally, snow plowing and sanding of streets is done when necessary. The township uses private contractors to assist with the snow plowing effort.

With the exception of snow plowing, the township can perform most road maintenance activities with a limited number of employees. Additionally, the department can defer routine right-of-way maintenance to adjust for reductions in staffing due to absenteeism or to address higher priority tasks. The existing average daily attendance of four to five employees appears adequate to complete the department's workload. During winter storms, however, considerable resources must be mobilized to plow and salt roadways in a timely manner.

Recommendations:

While staffing and personnel issues will be addressed later in this section, the team recommends the township review its snow plowing operations and expand the use of private contractors for this operation.

By expanding the use of private contractors to plow snow, the need to purchase large trucks (five cubic yard dump trucks) would be reduced. This recommendation would also allow the township to avoid the expense of maintaining a heavy vehicle fleet for a few major storms occurring throughout the year. Additionally, the township would be able to staff and equip its public works operation to reflect its daily workload rather than for emergent events.

Parks and Public Property

The public works staff maintains four municipal parks. This work includes the general cleaning in the spring and fall and ongoing weekly grass cutting during the spring/summer season. Additionally, the staff cleans rest rooms, performs minor repairs and patrols the parks for trash. A landscape company provides lawn treatment to the township's main park, Michael Debbi Park in Richland.

In addition to parks, the township maintains three facilities: the public works garage, the Martin Luther King Community Center and the township hall. The public works employees perform minor maintenance and repair work on all three buildings. Private contractors perform major repairs, painting and renovations.

A private contractor provides janitorial service for the community center and the township hall on an hourly basis. This individual was paid over \$7,000 in 1999. The status of this individual was unclear as to whether he was performing as a private contractor or an employee. There is no written contract for this service and the individual is not considered an employee. Although the team believes this individual provides high quality services at a very competitive rate, we believe the status needs to be clarified.

A private company completes lawn maintenance and treatment to the township hall grounds.

Recommendations:

It is recommended that the township solicit bids for lawn maintenance services for all municipal parks. A detailed bid specification will ensure a high quality of work, dictate the level of service desired and enable the township to have the parks maintained on a specific day. Additionally, long-range savings will be realized, since the township will not need to replace and maintain equipment used for this function.

It is recommended the township clarify the status of the individual performing janitorial services by formally hiring him as an hourly worker or executing an agreement in accordance with local public contracts law.

Staffing

The public works department is the only operating department in the municipality with an external service focus. However, most of the assigned tasks are not time critical functions. This is evidenced by the fact that the department has nine employees and on any given day, three to four workers are off work due to illness, vacation, injury or other reasons.

The team analyzed the department's operations. We conclude that a reduction of the work force is appropriate, in view of the fact that the type and level of work assigned was routinely completed with reduced staffing. The department's daily work routine has evolved to reflect the capacity of the actual employees available instead of the budgeted staff. Additionally, the outsourcing of the vehicle maintenance and parks maintenance will further reduce the administrative workload of township staff.

As discussed in the operation and management control section of this report, the township utilizes the Atlantic County correctional facility day release program to augment their work force. Almost daily, up to five work release individuals, known as day release prisoners (DRPs) are picked up, transported, trained, supervised and returned to the correctional facility. While the use of this free labor to assist the department is a good concept, the constant training and supervision of these individuals has become a burden and is sometimes not worth the effort of staff on a daily basis.

Supervision

The department supervision includes a public works manager/director and a supervisor. While this span of control is more than sufficient, the team observed problems with management's ability to supervise the department's activities. During the team's interviews with line personnel, we noted a morale problem regarding the supervision in the department. The following factors have caused considerable management deficiencies in the department.

- There is a conflict between the director and the supervisor in regards to the expectations of the supervisor's job functions and job performance.
- There is no organizational structure within the department. Even though there is a small number of employees, each individual's work schedule and job responsibility should be clearly defined by the department head.
- The record and tracking system of the department is totally inadequate. While the information requested by the team was provided in most cases, it was completed at our request. The director had no system to access basic public works records. In many cases, rudimentary files were kept in the pick-up truck and were not readily available.
- Lastly, while there is a handwritten log of daily assignments posted in the clerk's office, it is not adequately detailed or quantified. There was no work order system to document specific tasks to be completed, equipment or supplies required, number of employees and hours needed to complete the tasks.

Recommendations:

The team recommends the public works staffing levels be significantly reduced. The high rate of absenteeism and the minimal service demands by the largely rural community have enabled this department to perform at an actual workforce level of nearly one half of its budgeted personnel. The previously recommended privatization of vehicle maintenance and the lawn maintenance further facilitates a reduction in staffing.

There are two options to consider. The first option is to realign the department to include the public works director and four driver/laborers. This action would reduce the staff by four employees and enable the department to basically function as it has been for the past several months. The gross savings realized with this reduction would be approximately, \$100,000 in salaries and employee benefits. Estimating the cost of privatized vehicle and park maintenance to be \$35,000, the actual savings is projected to be \$65,000.

The second alternative is a further reduction in staff and involves direct, daily management of the public works operations by the township administrator. The administrator would conduct the management functions of the public works department including:

- scheduling of projects;
- logging citizen concerns and complaints;
- general record keeping;
- preparing work orders; and
- monitoring job tasks.

If this alternative is selected, the team recommends a working foreman/supervisor be appointed to function directly in the field with the workforce. The balance of the staff would be three driver/laborers. The gross savings realized would be approximately \$140,000, less the privatization expense of \$35,000, for net savings of \$105,000.

Cost Savings: \$65,000 - \$105,000

It is recommended the township implement a clearly defined chain of command for the department. The township should also define the job responsibility and assignments of each employee. The method and procedure from which the employees' annual performance evaluations are conducted should be clearly established. The employees must understand their supervisory chain of command, performance expectations and attendance procedures.

The team recommends the township use the day release prisoners (DRP) program for tasks that will efficiently use the full number of DRPs available each day. An example of this type of project would be leaf collection in the fall or spring clean up activities in April. By dedicating the DRP program to specific projects, the existing staff could provide proper supervision and assign relatively simple work functions to the DRPs. This will enable the township to complete major tasks at considerable savings to the taxpayers.

It is recommended that the public works department improve and upgrade the procedures for collecting and documenting departmental data, e.g.:

- **vehicle driver pre-trip inspection forms and vehicle history reports;**
- **code violation (trash and recycling) summonses;**
- **work schedules and accomplishments;**
- **trash collection and recycling collection complaints;**
- **current equipment inventory; and**
- **maintenance and repair reports.**

These documents should all be compiled, tabulated and summarized on an ongoing basis. This information will prove to be most useful when reviewing municipal services, preparing budgets, analyzing vendor performance and providing township officials with appropriate information. At the present time, the department is unable to assemble much of this information, as the means of record keeping are largely manual or nonexistent. The township should provide the necessary office equipment and computers to implement this goal.

In addition, a written, multiple copy work order system needs to be implemented. The form should include the job or task to be completed, the equipment needed for the job, the number of employees to complete the task and the amount of time the job will take. This procedure will provide an accountability of staffing hours, determine equipment usage and enable the employees to know the level of work performance that is expected of them. The work order form should be completed by the work crew doing the job and then the department director to verify that all tasks were completed in accordance with the request. A properly documented work order system will assist the administrator and the department director in monitoring the department's productivity and assist in planning and scheduling future work activity. This recommendation will provide better management for the department.

Solid Waste

Solid waste collection is a major portion of the township's budget and is one of the fundamental services that residents expect from their local government. The recent deregulation of solid waste activities has created a fast changing market in the collection and disposal of solid waste.

The past regulatory environment placed county control over municipal waste flows through the New Jersey Solid Waste Management Act of 1977. This act mandated environmentally safe, regional disposal locations. The Atlantic County Utilities Authority (ACUA) was designated as the implementing agency for the county solid waste management plan. The ACUA issued bonds in excess of \$85 million to finance the construction of its facilities. Tipping fees charged by the authority for disposing of municipal waste was to pay the debt service for this capital project.

Tipping fees for local governments rose steadily until 1997. In the fall of 1997, however, county control over solid waste flow ended as the result of litigation. Commonly known as the Carbone Decision, this court decision deregulated waste flows and allowed municipalities to choose the most cost-effective means to collect and dispose of solid waste.

In Atlantic County, the Environmental Investment Charge (EIC) was charged to municipalities to pay the debt service that was previously paid by tipping fees. The EIC will be discussed later in this section. A survey of ACUA tipping fees for 1996-2000 illustrates the substantial changes brought about by deregulation:

Fees Per Ton

	1996	1997	1998	1999	2000
Municipal Solid Waste	\$121.83	\$120.65	\$52.50	\$47.50	\$47.50
Bulky and Industrial	\$98.25	\$96.94	\$52.50	\$47.50	\$47.50
Construction/Demolition	\$65	\$60	\$60	\$60	\$60
Vegetative Waste	\$25	\$25	\$25	\$25	\$25

The team reviewed the curbside collection of municipal household waste, vegetative waste, bulky waste and recycled waste of the township. Previously, the ACUA collected recycling and public works provided household and vegetative waste collection. In 1997, the township elected to outsource the collection of all solid waste. Although no formal specifications or competitive bids were issued, an interlocal service agreement was made with the ACUA to begin collection in May, 1997.

Through this agreement, the ACUA collects municipal household waste, bulky items and vegetative waste in addition to recyclable material. Interviews with township officials indicated a relatively positive opinion of the ACUA's collection services. However, during discussions with township employees, it was determined that there was no single individual or office assigned the responsibility to receive complaints regarding trash collection. Furthermore, when calls are received, they are often referred directly to the ACUA with no follow up to determine the disposition of the call.

Recommendation:

It is recommended that the township designate the clerk's office as the central receiving point for citizen complaints regarding solid waste. This will enable the township to better document the quality, effectiveness and reliability of its solid waste collection services. This information can also be used when negotiating future services and fees.

Environmental Investment Charge

The Environmental Investment Charge (EIC) in Atlantic County was approved by the New Jersey Department of Community Affairs Local Finance Board (LFB) in January, 1998. As a result of the financial shortfalls resulting from the loss of flow control and the continuing need to pay debt service, the LFB ordered an EIC of \$31.12 per ton to be assessed against all solid waste

generators in the county. This charge is independent of the ACUA waste tipping fee and is based upon solid waste flows generated in 1995. In the case of the township, it generated 2,533 tons of waste in 1995. The ACUA is billing the township \$78,828 annually or \$19,707 quarterly for the EIC.

The chart below summarizes the costs of the township's solid waste flow from 1997 to 1999. Also included are projected collection costs for 2000. While the tipping fees have been reduced, other cost and expense factors such as frequency of vegetative waste collection have permitted the waste charges to remain quite stable.

	1997	1998	1999	2000
Collection Costs	\$126,900	\$224,207	\$232,579	\$244,877
Tipping Fees	\$318,268	\$199,564	\$149,501	-
Environmental Investment Charge (EIC)	-	\$59,121 9 months	\$78,828	\$78,828
Total Solid Waste Costs	\$445,168	\$502,892	\$460,908	-
Cost per Household	\$163.25	\$184.42	\$169.02	-

Recycling

The Atlantic County Utilities Authority provides recycling services to all township residences. This service is provided on a biweekly basis. Typical items recycled include paper and corrugated cardboard, glass bottles, aluminum, steel, aerosol cans, paint cans, plastics and household batteries. The ACUA provided the collection service at no charge to all Atlantic County municipalities until March 1, 1998. The collection and processing of the materials was previously included in the solid waste tipping fees under waste flow control.

Effective March 1, 1998, the township and the ACUA negotiated an interlocal service agreement for the collection of recyclable materials. There is no separate charge (tipping fee) for the disposal or processing of the collected materials. The initial fee for collection was \$5,904 per month. Since the initial agreement, modifications have taken place, deleting the collection costs of several public facilities (state police barracks, schools and the post offices). The current agreement for the year 2000 is \$5,502 per month. The table below summarizes the recycling tonnage and collection costs for 1997-2000 (projected):

	1997	1998	1999	2000
Tonnage	776	996	942	-
Collection Costs	-	\$53,407 9 months	\$66,359	\$66,032
Cost per Ton	-	\$71.50	\$70.44	-
Cost per Household	-	\$26.12	\$24.33	-

As part of the review process, the team examined monthly recycling invoices and compared these documents to the revised contracts. The team discovered the township was charged and subsequently paid \$5,998.67 per month, from June, 1999 to February, 2000. In accordance with the revised contract, however, the township should have been charged \$5,373. This monthly

difference of \$625 resulted in a total overcharge of \$5,625. The team reviewed this issue with the township administrator and confirmed this overpayment. A subsequent discussion was conducted with the ACUA and resulted in a \$5,625 credit being issued to the township on March 29, 2000.

Additionally, a review of monthly invoices indicated that on several occasions, timely payment was not made. In fact, monthly finance charges (over \$1,300) were assessed by the ACUA and paid by the township not only for recycling services but for other solid waste services as well.

Recommendations:

The team commends the township for its efforts in reviewing the recycling collection process and initiating revisions to save tax dollars.

The team recommends the township continue its current agreement with the ACUA for recycling collection. However, the administrator's office should closely monitor all solid waste transactions. A specific staff person should be assigned the ongoing responsibility of reviewing the ACUA tare sheets, invoices and vouchers to ensure that waste flows and tonnage are constant, billing is accurate and that contract information is current.

Recycling Center

The public works department provides a recycling drop-off center located at the public works yard. The center is open the first Saturday of each month for township residents. Contractors and businesses are not permitted to use this facility. The township accepts tires (up to four per month), waste oil, household hazardous waste, paint cans, car batteries, scrap metal, white goods, brush, bagged leaves and recyclables.

There is a cost to dispose of the tires and to transport household hazardous waste, paint cans and recyclables to the ACUA. Monies are received for car batteries, scrap metal and white goods. The brush is chipped and reused by the township. Local farmers remove the leaves at no cost. The team observed this operation on two occasions and believes the center to be a "best-practice" service.

Recommendation:

The team commends the township for the drop-off center operation. There is no additional cost to the township to administer this convenience center as the public works manager supervises the activity. The minor disposal costs are outweighed by the mitigation of the risk of illegal dumping.

Vegetative Waste

The township provides for the curbside collection of vegetative waste through an agreement with the ACUA. Vegetative waste includes leaves, grass clippings and limbs. Although the demand for this service is usually seasonal, collection is provided at regular intervals throughout the year.

Previously, the public works department directly performed this operation. Public works transported the leaves to local farms and to a local sand mining operation for composting. In 1997, the local composting site became unavailable. At that time, the township downsized its sanitation and leaf collection operation, laying off three employees and selling two trash trucks.

The ACUA took over the responsibility of providing this service, including the collection and disposal at their approved compost facility. The cost of disposal is \$25 per ton. While this effort initially saved tax dollars, the program has continued to expand and increase in cost. From 1997 through 1999, \$105,775 has been paid to the ACUA to pick up and dispose of vegetative waste, with an estimated \$40,000 budgeted for 2000.

A review of the activity of the vegetative waste operation, from May, 1997 is as follows:

	1997	1998	1999	2000
Tonnage	276	387	376	-
Tipping Fees	\$6,900	\$9,675	\$9,400	-
Collection Costs	\$24,500	\$35,000	\$20,300	\$29,030
Total Expense	\$31,400	\$44,675	\$29,700	-
Cost per Ton	\$113.77	\$115.44	\$78.99	-
Cost per Household	\$11.52	\$16.39	\$10.90	-

Recommendations:

The team recommends that the township perform vegetative waste collection instead of its present practice of contracting for this service. Interviews with the administrator and the public works director indicated that the township intends to purchase two leaf vacuum machines. It is estimated the initial investment of equipment to be \$15,000. The team projects yearly savings of approximately \$20,000 - \$35,000.

To maximize efficiency, it is recommended that regulations be established to limit collection to specific times during the fall and spring. This will also allow the township to properly plan and dedicate resources for this service. Additional regulations should describe what the township will pick up and how the residents should prepare the branches, leaves and brush to facilitate collection. The township newsletter would be an excellent way to inform the public of these regulations.

The disposal of the vegetative waste is another important issue that must be addressed. The township is paying \$25 a ton to dump its waste in the ACUA compost facility. Prior to 1997, the waste was taken to a compost site operated in the township by a local sand mining company.

The team recommends that township officials investigate options to dispose of leaves at a local composting facility. The public works director and the administrator should initiate negotiations with the local sand mining companies or farms to seek NJ Department of

Environmental Protection approval for a compost operation. Sand mining operations require compost for the reclamation of used sites. A locally operated compost site will eliminate the cost of disposal of the waste.

Cost Savings: \$9,400

Municipal Solid Waste and Bulky Waste

In May, 1997, the ACUA began the curbside collection of municipal solid waste. Prior to that time, township employees provided the service. There were four employees working in this division and as a result of the ACUA agreement, three were terminated. Additionally the township operated three trash compactor trucks to perform this collection. Two trucks were sold to the ACUA for a \$25,000 tipping fee credit. The township retained one trash compactor truck for internal leaf collection. As discussed earlier, there was no formal specification or solicitation of competitive prices. This change in service was executed through an interlocal service agreement.

The township is divided into three zones with the household and bulky waste being collected on Wednesday, Thursday and Friday. In 1997 and 1998, the collection of bulky items was done under a separate agreement. Effective January, 1999 bulky waste items were collected as part of the municipal solid waste contract. The township realized significant savings and improved service by combining the two collections. This consolidation enabled the township to limit and control the bulky waste item pick up and thus reduce the cost. A summary of the bulky waste and municipal waste flow is below:

Bulky Waste

	1997	1998	1999	2000
Tonnage	282	422	-	-
Tipping Fees	\$26,303	\$25,320	Collection Combined with Municipal Waste Contract	
Collection Costs	\$14,400	\$21,600	-	-
Total Expense	\$40,703	\$46,920	-	-
Costs per Ton	\$144.34	\$111.19	-	-
Cost per Household	\$14.93	\$17.21	-	-

Municipal Solid Waste

	1997	1998	1999	2000
Tonnage	2,498	2,597	2,797	-
Tipping Fees	\$285,065	\$164,569	\$140,101	-
Collection Costs	\$88,000 8 months	\$134,200	\$145,920	\$149,815
Total Expense	\$373,065	\$298,769	\$286,021	-
Cost per Ton	\$149.35	\$115.05	\$102.26	-
Cost per Household	\$136.81	\$109.56	\$104.89	-

Collection Costs Only	1997	1998	1999	2000
Cost per Ton	\$52.85	\$51.68	\$52.17	-
Cost per Household	\$48.40	\$49.21	\$53.50	-

Recommendations:

The township is commended for its efforts to combine the bulky waste pick up with the weekly collection of municipal solid waste. This change in service not only saved tax dollars, but provided a more convenient procedure for residents to follow.

However, even though this combination of waste collection has benefited the township, there is no formal bidding experience to determine if the collection costs are competitive. The team recommends that detailed specifications be prepared for curbside collection of municipal solid waste and that sealed bids be solicited for this service. A review and analysis of the bids should greatly assist township officials in determining the most cost effective means to provide this service.

A neighboring township has developed an excellent specification for contracted trash collection. Its collection and hauling cost per ton, as provided by a private contractor was \$45.22 in 1999. The team projects additional savings in 2000. The team calculated the collection cost for Buena Vista Township to be \$52.17 per ton. Using these figures as a benchmark, potential savings of \$6.95 a ton could be realized or \$19,439 in collection costs.

Cost Savings: \$19,439

In addition to collection, another cost factor to consider is the waste disposal expense. With waste flow deregulation, municipalities may direct the disposal of their waste to a facility that provides the least expensive tipping fee. The team recommends that consideration should be given to using the Cumberland County landfill facility. The Cumberland County tipping fee is \$43.21 as compared to the \$47.50 fee at the ACUA site. This results in a \$4.29 per ton savings. The distance to transport the waste is comparable to present distances currently traveled. Based on waste flow of 2,797 tons in 1999, the township could save \$11,999 in tipping fees.

Cost Savings: \$11,999

Interlocal Service Agreements

The township presently has interlocal service agreements for recycling, vegetative waste pick-up, and municipal household waste collection. While the initial agreements for service detailed specific costs for specific functions, subsequent renewals, addendums and riders make it difficult to determine the monthly charges which are problematic to monitor. This confusion was evidenced by the over charge for recycling services that the team discovered.

The agreements have effective dates that differ from the negotiated CPI increase dates. The agreement documents have a termination clause but lack a performance standard or liquidated damages clause to ensure the township receives quality service.

Recommendations:

The team recommends that the township and the ACUA negotiate annual agreements for each service provided. The township administrator and the public works director should negotiate these agreements with the ACUA. It is recommended these agreements operate on a standard calendar year beginning January 1st and terminating December 31st. Specific charges for each agreement should be outlined along with detailed services to be performed.

The documents and reports needed to properly manage and monitor the administration of the agreements (summary of days of service, monthly tonnage, etc.) should be included in the agreement. Additionally, the team recommends the governing body adopt a resolution for each service agreement formalizing the delivery of service. A clearly defined agreement will enable the township to monitor both the quality and costs of its solid waste collection service.

PLANNING AND ZONING

Overview

The township faces unique challenges in development. In addition to the complex process of local zoning and planning functions, approximately 90% of the township falls under the land-use regulations of the Pinelands Commission. This state regulatory agency was created to protect the region's watershed and other environmental resources. The commission imposed many restrictions on development that were previously the jurisdiction of the municipality. Discussions with township officials indicate that these regulations have impeded ratable growth.

The planning and zoning functions are performed by separate appointed boards. Usually, meetings are held once a month and workload varies considerably for each board throughout the year.

Staffing

The planning and zoning functions are staffed with one full-time and one part-time employee. The 35-hour, full-time employee functions as the secretary/administrator to the planning and zoning boards and holds the title of assistant to zoning officer. The part-time zoning officer schedules two hours a week in office hours and performs field inspections as needed. Contracted professionals provide support to the planning and zoning boards, in the form of legal, engineering and planning services.

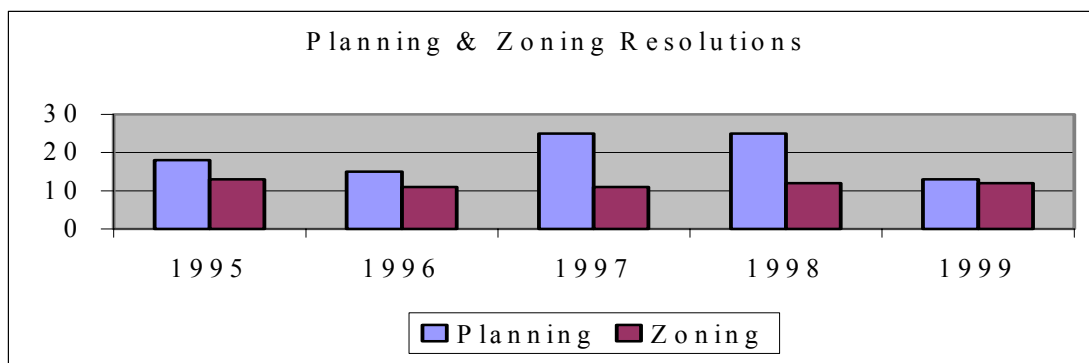
Financial

In 1999, the cost to provide planning and zoning functions was \$36,082 in salaries and direct benefits, and other expenditures were \$4,870. Professional reviews of planning and zoning board applications are paid by escrow accounts. In 1998, the township updated its fee, permit and

escrow schedules for the planning and zoning functions. Generally, the team recommends that municipalities review their fee schedules every 2-3 years to determine whether the fees cover the costs of processing applications.

Workload Analysis

The team examined annual reports and minutes to determine the workload of the planning and zoning boards. Workloads varied, however the township's workload in relation to other developing communities is relatively light. The following chart illustrates the resolutions passed by the planning and zoning boards for 1995-1999:



As the chart indicates, there is approximately one formal zoning board resolution per month and less than two planning board resolutions per month. Although some applications involve considerable research and discussion, the team's review of adjournment times indicated an average duration of one hour and seven minutes for each board meeting.

Recommendations:

It is recommended the township consider consolidation of the planning and zoning boards. Planning and zoning functions are closely related as they both govern development in the township. Combining these boards would create a deliberative body with a more global perspective of the township's land use issues.

N.J.S.A. 40:55D et. seq. permits planning boards to exercise the powers of a board of adjustment for municipalities with populations of 10,000 or less. The statute was amended in 1997 to allow planning and zoning board consolidation in communities of 15,000 and less.

Cost savings for the township would consist of reduced advertising expenses, and professional fees for meeting attendance. The township would also realize productivity enhancements by staff having to prepare for one consolidated meeting rather than two.

Cost Savings: \$1,500

Local Review Officer

The township elected to appoint the zoning officer as its local review officer (LRO) to ensure that residential development conforms to the Pinelands Commission land use standards. Previously, an application for constructing residential housing was processed by the township and then forwarded to the staff of the Pinelands Commission for review. In the past, reviews by the two agencies sometimes caused delays in securing permits to build. Since the adoption of this program, delays between the application for a permit and its issuance have been significantly reduced. The township is commended for adopting the LRO function and providing a streamlined review process.

Discussions with planning and zoning officials indicate that delays often take place for applications regarding changes in use by commercial property owners. Presently, both the township zoning board and the Pinelands Commission review these applications. Township officials suggested that a local review similar to the present LRO process would facilitate the approval process. Given the township's efforts to revitalize its commercial corridors, the implementation of a local review process may allow it to foster a more favorable environment for development.

The township is commended for seeking to facilitate the approval process for developers through the local review officer.

Code Enforcement

A part-time employee fills the position of zoning officer at a salary of \$6,508 with no health benefits. The employee enforces the township's zoning regulations, attends meetings and issues zoning permits. The zoning officer maintains scheduled office hours of one night per week and conducts site visits as needed.

In addition to zoning duties, this employee is also responsible for enforcing the township's property maintenance code. The team's review of township minutes of governing body meetings indicated concerns regarding the condition of some areas. The team observed many residential properties with abandoned automobiles, debris and general dilapidated conditions.

Discussions with township officials indicated that the township has followed a largely complaint-driven policy rather than an active enforcement of the property maintenance code. The enforcement officer does not actively patrol the township and cite properties for obvious violations of the code. The enforcement officer is given wide discretionary powers in handling individual cases.

The team has concerns regarding the township's passive stance regarding property maintenance code enforcement. The team acknowledges the conflicts between rural and suburban attitudes regarding property standards in an expansive and diverse township. The team believes, however that there are compelling financial considerations that support more active enforcement. With large-scale commercial and residential development hampered by restrictive development guidelines, the preservation of the township's existing property valuation is critical for maintaining the present level of revenues without a tax rate increase.

Recommendation:

It is recommended that the township review its enforcement of the property maintenance code and consider more aggressive enforcement.

WELFARE

Work First New Jersey regulations allow municipalities to continue to administer and fund the general assistance program or to transfer administration of the program and the cost of administration to the county welfare agency. In 1998, the township elected to transfer its welfare function to Atlantic County. Through this action, the township eliminated a part-time position and saved approximately \$2,100 in salaries and other expenditures. The township is commended for this action.

COMMUNITY CENTER

The township maintains the Martin Luther King Community Center. The 10,800 square foot community center was constructed using manufactured modular units purchased from the City of Brigantine at nominal cost. Using a combination of volunteer assistance and a state grant acquired by the township, the center was completed at greatly reduced cost to the local taxpayer. The township is commended for employing initiative and creativity to construct a significant public facility.

Two nonprofit organizations operate in the community center. One organization provides daycare services and occupies approximately 2,500 square feet. The daycare provider pays rent for its office space and provides its own cleaning service for its portion of the building. Another nonprofit organization provides literacy and parenting skills training under the auspices of the state-funded Evenstart Program. It occupies approximately 1,200 square feet in office space and classrooms.

The Evenstart program is funded by the state through a grant administered by the township. The staff members are on the township's payroll and receive health and dental benefits purchased through the township's plan. In addition to payroll and benefits, the township processes purchase orders and maintains budgetary controls over the ARDC's operating expenditures.

Township officials expressed concerns over the financial and operational viability of the Evenstart program. The team's discussions with township officials indicated that the program was to be self-sustaining with rental payments from the state grant reimbursing the township for the debt service associated with the cost of construction and building operating costs. In the second year of operation, the state disallowed the use of grant monies for these purposes. Without additional sources of revenue, the ARDC was unable to pay the rent and the township

absorbed annual costs of debt service. Discussions with township officials indicated that the loss of rental income and in-kind contributions amounted to approximately \$29,800 in unreimbursed costs being borne by the township.

In addition to financial concerns, the recent turnover in key members of the ARDC staff has brought into question the ability of the organization to achieve its social service mission.

Recommendations:

It is recommended the township reevaluate its continued role as the sponsor of the Evenstart program. The continued subsidy of the program is a policy decision that necessarily weighs the benefits of the organization's social service mission against the expenditure of money and staff hours contributed by the township.

It is recommended the township solicitor review the status of the ARDC staff. The team has concerns with the potential liability of having ARDC staff members on the payroll of the township but under the operational control of a private nonprofit organization. From reviews of correspondence between the township and the ARDC, it is apparent that there is confusion and discord regarding the policies and procedures for payroll, purchasing and building security.

III. SHARED SERVICES

Tremendous potential for cost savings and operational efficiencies exists through the implementation of shared, cooperative services between local government entities. In every review, Local Government Budget Review strives to identify and quantify the existing and potential efficiencies available through the collaborative efforts of local officials in service delivery, in an effort to highlight shared services already in place and opportunities for their implementation.

As part of our review, the Local Government Budget Review team ordinarily evaluates the possibility of sharing services between communities and other government agencies. These interlocal agreements could realize long term savings while eliminating duplicate services. Sharing resources offers the potential to provide higher quality services than when one community acts alone. The close proximity of the township to the Borough of Buena has created opportunities for shared services between the two communities.

To determine the viability of consolidating services, grant monies are available from the New Jersey Department of Community Affairs (DCA) to perform feasibility studies. In addition, there are funding programs available to support a shared service program from DCA called Regional Efficiency Aid Program (REAP) and Regional Efficiency Development Incentive Act (REDI).

The Regional Efficiency Aid Program (REAP) is a new type of state aid program which combines incentives to reduce the cost of government with true property tax relief to taxpayers. REAP involves two new concepts. The first is that if a municipality or school district wants more state aid, and regionalizes services, the state will provide permanent aid scaled relative to what is regionalized. Secondly, to ensure that the aid is real to taxpayers, the aid will be provided, not as a budget offset, but as a property tax credit for residential property owners. REAP can also provide an incentive for complete or functional dissolution of governments themselves, in exchange for State aid to the taxpayers.

The Division of Local Government Services (DLGS) proposes an incentive program that would complement REAP by providing local units of government across New Jersey with critically needed financial support to initiate the process of regionalization. This program is the Regional Efficiency Development Incentive (REDI) grant program.

The Regional Efficiency Development Incentive Program is a new State initiative designed to help local officials explore and implement new shared service opportunities. REDI offers state grants and loans to help county, municipal and school officials study, develop and implement new shared service programs. The program's focus is to use the efficiencies and cost reductions possible through joint action to help reduce property taxes by lowering the costs of services. REDI has \$10 million available to identify, prepare, and put into place new interlocal ventures.

Grants are awarded to assist local units with planning and developing new or expanded shared services through feasibility studies. REDI grants are awarded on the following basis: the state

will pay up to the first \$15,000 of study costs; for costs above \$15,000, the state will pay 90% of the costs that exceed \$15,000, and a 10% local cash match will be required for the balance. Where a local cash match is required, the local funds must be expended first, before grant monies may be used.

Grants and/or loans are made to assist local units with the start-up, transition, and implementation costs associated with new or expanded shared services or the consolidation of local units. Assistance is based on the total transition or implementation costs of the project. The first \$100,000 of implementation assistance would be made by the REDI Grant, and all assistance above that amount would be in the form of loans made subject to specified loan requirements.

Court

Based on review of the municipal court, there appears to be potential for significant savings and enhanced customer service by combining the municipal courts of Buena Vista Township and Buena Borough. This joint venture would derive benefits through the reduction of costs associated with the maintenance of two separate municipal facilities. Long term cost savings would be achieved through the elimination of duplicate spending by the two communities.

The Atlantic/Cape May Vicinage calculates staffing levels based on a weighed average of case types. Using the vicinage's criteria, we calculated the appropriate staffing levels for 1999 for Buena Vista Township and Buena Borough Municipal Courts. The staffing level for Buena Vista Township is 1.87 employees and 1.5 employees for Buena Borough.

Recommendations:

By merging the Buena Vista Township and Buena Borough municipal courts, one municipal court staff position could be eliminated. There are currently four court employees in the two municipal courts. Although our calculation indicates the need for 3.37 employees, the efficiency of operating one court should enable the consolidated court to operate with three full time employees. This would increase the caseload per employee per month (which was low in both municipalities) to a more acceptable level.

Cost Savings: \$30,000

(The team has chosen not to quantify the savings associated with the judge, prosecutor, public defender, etc. This will be determined during the feasibility study.)

It is recommended that Buena Vista Township and Buena Borough contact the Department of Community Affairs (DCA) and the Atlantic/Cape May vicinage to perform a study to determine the feasibility of establishing one municipal court for the two communities. Initially, the study would identify the current level of service being provided and the cost of that service. Various options for joint or interlocal agreements may be offered. Employee relations issues would be addressed such as civil service, contractual matters, reassignment of employees, early retirement incentives, etc.

The study would also explore the costs of providing the joint service, including implementation costs and allocation of those costs between the two communities. The disposition or alternative use of current facilities would be addressed. The benefits resulting from a joint or interlocal arrangement such as decreased costs or increased levels of service would be outlined. Finally, a timeline and steps for implementation would be provided.

Public Works

The team's review of the public works operation indicates that informal cooperation occurs between the township and the Borough of Buena. During the team's review, the township made use of the borough's street sweeper and in turn will reciprocate by providing a service in the future. The team commends these arrangements as they often provide a more cost-effective alternative than private contracting or the purchase of a major item of equipment.

Local Government Budget Review's study of Somerset County communities found a more formal shared services process. In this interlocal service agreement, each participating municipality and the county provided a schedule of hourly prices for each category of equipment with a trained operator. If the category of equipment is available on the required date, the equipment with operator is provided to the requesting community. This agreement provides an additional option to managers to cost-effectively perform a given service. The lending agency benefits by creating a potential revenue center for capital equipment that would otherwise sit idle.

Recommendation:

It is recommended the township explore the feasibility of a similar interlocal service agreement with area local governments. Municipalities, school districts and utility authorities would be given greater flexibility by providing another operational option alternative to purchasing a major piece of equipment or contracting for a given function.

IV. STATUTORY AND REGULATORY REFORM

The fourth and final section of the report, Statutory and Regulatory Reform, attempts to identify those areas where existing state regulations or statutory mandates are brought to the attention of the LGBR team by local officials which appear to have an adverse effect on efficient and cost effective local operations. It is common for local officials to attribute high costs and increased taxes to “state mandates.” Each review team is then charged with reporting those areas in this section of the report. The findings summarized below will be reviewed by the appropriate state agency for the purpose of initiating constructive change at the state level.

The team’s interviews with township officials indicated concerns with two state programs that had a negative effect on the community’s economy. These programs have an adverse effect on the township’s ability to maintain its commercial and industrial ratable base.

Pinelands Commission

For approximately 20 years, the Pinelands Commission has issued regulations governing land use in much of the township. Because of watershed protection requirements, the commission substantially increased the acreage requirements for development. Lot sizes traditionally governed by municipal land use ordinances, were instead regulated by this commission.

Discussions with municipal officials indicated concerns with the township’s ability to attract commercial and industrial ratables. Officials cited several instances of commission regulations restricting the ability of existing businesses to expand. Because of these restrictions, a major concern is that many businesses may choose to relocate and the township may subsequently lose substantial tax ratables and job opportunities for its residents.

One remedy suggested by township officials to offset some of the difficulties presented by these regulations is local review of changes in commercial use applications. Presently, change in use applications are reviewed by the township zoning board and the staff of the Pinelands Commission. For residential development, municipalities are presently allowed to appoint a local review officer to ensure compliance with Pinelands regulations.

Urban Enterprise Zone

The township is situated outside an expansive urban enterprise zone (UEZ) in neighboring Cumberland County. Township officials expressed concerns regarding the competitive disadvantages faced by local businesses and the possible loss of its commercial and industrial ratables. In response to these difficulties, the township adopted a tax abatement ordinance and has aggressively worked to retain businesses by emphasizing other advantages of staying in the community.

The township has taken the lead with other communities in the region facing similar economic problems. Discussion has centered upon seeking state financial assistance to offset the economic disadvantages of not being situated in the UEZ. One township official has suggested that a portion of the funds generated by the UEZ be reserved for economic development in neighboring communities that are adversely affected by the zone.

LOCAL GOVERNMENT BUDGET REVIEW

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